



**AN AFRICAN-AMERICAN PERSPECTIVE**

**on**

**The 1989 Gubernatorial Election:**

**A Further Look**

AN AFRICAN-AMERICAN PERSPECTIVE

ON

The 1989 Gubernatorial Election

New Jersey Public Policy Research Institute

## NEW JERSEY PUBLIC POLICY RESEARCH INSTITUTE

The New Jersey Public Policy Research Institute (NJPPRI), established in 1978, is a volunteer, non-profit, tax-exempt organization. NJPPRI is concerned with identifying, analyzing and promulgating public policy issues significantly affecting African American residents of New Jersey. The organization seeks to present these issues for appropriate public discussion and, thereby, to contribute to the development of strategies that address these issues in ways beneficial to New Jersey's African American population.

NJPPRI is statewide in focus and attempts to work cooperatively with public policy oriented individuals and organizations throughout New Jersey.

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Published by:  
New Jersey Public Policy Research Institute (NJPPRI)  
P.O. Box 833  
Absecon, New Jersey 08201

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Printed in U.S.A.

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## INTRODUCTION

**A Further Look** is a sequel to **AN AFRICAN AMERICAN PERSPECTIVE ON THE 1989 GUBERNATORIAL ELECTION** which NJPPRI published just prior to the primary election. Now that the field is narrowed to two candidates, our concerns are evermore keen.

This document repeats the issue articles from the first publication and then adds an article on abortion rights. The following section includes nine questions posed and responded to by the candidates (Courter and Florio) prior to the primary. Profiles of the two candidates with information regarding their voting record, conclude this report. NJPPRI presents this information in the hope that it will inspire further examination and thought as we set about electing our next governor.

Will New Jersey's next Governor have a functional understanding of the issues facing our community? Will he have practical approaches to ameliorate the problems facing our urban centers, the inequities of our current tax system or means of funding public education, the limitations of welfare reform or health care financing as they presently exist? Will this Governor be committed to Minority Business Enterprise programs?

Leaders within the African American community are challenged to read this document and then with diligence, to present these questions to the two candidates. It is only through voicing our concerns that we can expect the candidates to understand and respond effectively to them. Our responsibility to be informed voters requires nothing less.

### Editorial Committee

Gwendolyn I. Long  
Henry A. Coleman  
Robert C. Holmes

## ISSUES POLL

As we approach New Jersey's "Challenge '89", characterized by the gubernatorial campaign, New Jersey Public Policy Research Institute (NJPPRI) felt it would be beneficial to have an idea of the issues most on the minds of the leadership representing New Jersey's African American community.

Thus, NJPPRI conducted an informal poll. We asked representatives of statewide African American organizations attending two statewide events (Black Issues Convention Annual Retreat, and NAACP Political Education Committee meeting) to identify up to ten issues which they felt "are most important to the Black Community." The results are as follows:

90%	cost and accessibility of health care
81%	urban housing development
76%	job creation and training
71%	minority business development
71%	Black enrollment in higher education
62%	crime reduction
57%	children services
57%	welfare reform
52%	affirmative action
48%	Mount Laurel enforcement
43%	teenage pregnancy
38%	public school graduation requirements
33%	senior citizen services
28%	toxic waste cleanup
28%	state property tax reform
28%	art and culture programs and facilities
23%	drug abuse
19%	solid waste disposal
19%	municipal court reforms
9%	location of prison facilities

It is interesting, although not remarkable, to note that accessibility to health care, housing, and jobs all ranked in the upper quartile. Any gubernatorial candidate serious about garnering the support of the African American community will address these issues. At the same time, one should anticipate that topics such as affirmative action, toxic waste and tax reform will continue to rise in significance as issues that the African American community expects a qualified governor to be willing and able to act upon effectively.



THOUGHTS ON AN URBAN POLICY  
FOR THE 1989 GUBERNATORIAL CAMPAIGN

by

Richard W. Roper

The decade of the 1980s may be looked upon in the years ahead as one in which New Jersey's economic engine regained its earlier vigor and then some. Few states - in fact only Massachusetts - have experienced the kind of phenomenal growth that has occurred in the Garden State since the national recession of 1982. Jim Hughes of Rutgers University, in an article published by The Make Jersey Work Roundtable, points out that, "the state has become synonymous with growth and the leading-edge American economy. A new reality has evolved, a result of the restructuring and adaptation of the New Jersey economy, which moved to the frontier of the new service-information era."

The successful transformation of the New Jersey economy - from one heavily dependent on manufacturing to one with a strong service sector - has been accompanied by a profound shift in the location of much of the state's economic activity. All of the state's job growth has occurred in its outlying suburban areas. Access to New Jersey's suburbs has been facilitated by the construction of a system of highways linking these areas with the region's principal cities: New York to the north and Philadelphia to the south. These highways have fueled suburban growth and have taken on an economic significance in their own right. George Sternlieb, New Jersey's most quotable New Jersey watcher, suggests that these highway corridors define the state's new growth zones.

There is no denying the fact that the state's outlying areas-- its outer ring of suburbs and exurbs --are the focus of much of the state's prosperity. Their success in attracting economic activity, however, has been so rapid and so pronounced that it has become a cause of concern and the subject of public debate across the state.

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New Jersey is now engaged in a comprehensive program to manage growth. Like the states of Oregon and Florida, before it, where efforts to control the speed and direction of commercial and residential development have produced uneven but generally favorable results, New Jersey has decided that it makes good economic sense to attempt statewide land-use planning. One of the central features of the growth management strategy evolving in New Jersey is the recognition that urban areas ought to be given priority consideration for intensive development. There is strong support for this view throughout New Jersey. Of special significance is that developers have begun to show interest in the downtowns of several New Jersey cities.

In the last five to seven years, the downtowns of Newark, Trenton, New Brunswick and the waterfront of Jersey City have shown clear signs of new economic activity. In addition, Paterson, Plainfield, and Asbury Park have experienced a rebirth of economic activity as their business districts and waterfront areas have become attractive to private investors. Even so, these cities and the rest of urban New Jersey are very much a backwater in terms of economic activity when compared with the state's suburbs. Growth has been a feature of suburban New Jersey to such an extent that controlling growth has become a major political issue, both at the local and state levels.

The state's cities would welcome more private investment--if they could get it. They realize that the growth they have gained during this recent period has been an overflow from the suburbs. There is also recognition that they surely will be first to feel the effects of a downturn in the regional economy. Fortunately, the several projects currently underway in the cities may soften the impact of the economic slowdown that most observers suggest has already begun. There is reason to believe that if the slowdown is not severe or of long duration, the cities may be reasonably well positioned to continue building on the investment they have attracted during the period that now is drawing to a close.

Downtown and waterfront developments have provided a source of hope for the state's hard pressed urban areas. The visual impact of new buildings in places where decay and disinvestment have been the norm has positive psychological value. In addition, new construction means new jobs; short-term construction jobs and permanent commercial, retail, and other service sector jobs are important by-products of recent city revitalization activity. There has also been a marginal impact on local tax revenues as a result of these projects. The hard reality, however, is that there simply has not been enough activity to compensate for the years of urban decline. Additionally, there has not been enough economic activity of direct benefit to

those who now make up the bulk of the urban population. Inner-city residents, who are overwhelmingly African-American, Latino, and poor have had little opportunity to participate in even the limited economic growth the cities have achieved in the period now ending. Poorly educated, lacking marketable skills, and unable to compete for the largely high skilled jobs available in the new downtown office buildings, inner-city residents are socially and economically isolated. This is an issue that needs more attention. The downtowns and the waterfronts of some cities may have made economic progress in the last several years - the cities' neighborhoods, unfortunately, have not. And the neighborhoods without substantial public involvement will not move beyond their current state of desolation.

#### A "NEIGHBORHOODS" STRATEGY FOR NEW JERSEY

The challenge that lies ahead in terms of urban policy will have less to do with development activity in the central business district and much more with neighborhood reclamation. In this scheme of things, inner-city people become as important as downtown boutiques and office buildings. While public subsidies have been of marginal value in the quest for private investments in the downtowns, there is no doubt that without such subsidies a successful neighborhoods strategy will not be possible.

It is clear that a focus on city neighborhood revitalization must include a commitment to strengthen the institution which makes neighborhoods real--the local public schools. Providing badly needed resources to upgrade urban education programs is critical. More money, whether new or recycled, is a legitimate need in urban school districts. So, too, is providing strong political leadership to insure that the resources provided are put to the best and most efficient uses. There can be little progress on the neighborhood revitalization front without a measurable improvement in urban neighborhood schools. Achieving the required improvement will depend upon the amount of resources we commit to the effort as well as the quality of political leadership applied to make change happen.

Meaningful school improvement is a long term undertaking. In the period during which change is being pursued, we must direct our attention at helping the large number of inner-city residents who are the products of school systems that have failed them. Job training and skill development in areas of current and future demand must be a second feature of a meaningful neighborhood revitalization strategy. Skills development in the areas of computer technology, health services, electronics, heavy construction and transportation services will offer important

opportunities for city residents in the future. Training of this type is underway in bits and pieces in a number of places in New Jersey. Newark's Urban League, for example, offers a very effective program in word processing for AFDC mothers and teenage males. The program has had considerable success locating jobs for its graduates. Prudential Insurance, Mutual Benefit Life, and PSE&G are the major financial backers of the League's ULTRA Center.

The third component of a successful neighborhood redevelopment program is housing rehabilitation and new housing construction. Neighborhood Housing Services, a program that operated in several Newark neighborhoods during the 1970s, demonstrated that inner-city homeowners would commit to housing rehabilitation if they could get access to reasonably priced money. Home ownership is as strong a desire in the inner-city as in the suburbs. A neighborhood revitalization strategy for the cities should have as a central feature support for the concept of home ownership. Here again, the \$35 million in loan funds set aside for low income Newark residents by local banks is the kind of response other cities would welcome. State level leadership in promoting a concept of this type could produce important results.

The last concept in my conception of a neighborhoods strategy is the promotion of cooperation, self-help, and pride in the community in which city residents live. To a certain extent, property ownership is an important means to the end referred to here. Unfortunately, this option will not be available to most inner-city residents in the short term and as a consequence alternative methods of creating pride need to be designed. Success in the pursuit of a community goal is one way of fostering neighborhood pride. Perhaps one of the best examples of a community pride building effort is the New Community Corporation in Newark. This enterprise relies heavily on public subsidies to construct housing, establish businesses, build health care facilities, and develop and operate several child care centers. With each success achieved, the group's confidence has grown and so has its sense of being a major contributor to the revitalization of Newark. What New Community has achieved can be replicated by others. While indigenous leadership is an all important variable in this equation, so too is group determination and commitment. These variables are not easily reproduced but they can be cultivated and encouraged. Key to being able to do this is knowing what resources exist within a community and how best to maximize them.

While this state is perhaps the most densely populated of the fifty states, it is not a state in which its cities are either many in number or politically powerful. The six largest cities in New Jersey account for less than 13%

of the state's total population. New Jersey's political and policy orientation is, therefore, decidedly suburban in nature. And because this is so, it is especially difficult to generate support for programs that promote city interests over those of the suburbs, yet it is the state's cities where the need for additional resources is greatest. In important ways the policy agenda for this state is shaped to a considerable extent by the challenge of improving conditions in the cities of New Jersey and, in so doing, improving the quality of life for the people who live in them.

## **AFRICAN AMERICANS AND THE NEW JERSEY**

### **FISCAL SYSTEM**

by

**Henry A. Coleman**

This essay will briefly explore some of the major fiscal issues confronting residents of the State of New Jersey. In general, the New Jersey fiscal system is extremely burdensome and unfair to the state's poor and urban residents. Since African Americans in New Jersey are disproportionately represented among the state's poor and urban residents, they tend to suffer most under the current system. Fiscal reform is needed in New Jersey! If fiscal reforms, such as those recently proposed by the so-called SLERP Commission, are enacted, then:

- 1) the distribution of tax burdens will more nearly reflect a household's ability to pay;
- 2) more property tax relief to individuals will be provided and better targeted to actual need;
- 3) state aid to municipalities will be increased and better targeted to poor jurisdictions;
- 4) the costs of state services, such as public assistance, will be distributed more evenly among counties and municipalities, and not concentrated among a relative few as is currently the case; and,
- 5) the disincentives for firms to locate (and therefore create jobs) in urban areas resulting from intra-state property tax rate disparities will be removed.

African Americans would be among the principal beneficiaries if fiscal reforms are enacted to improve the equity and efficiency of the current system.

### **AFRICAN AMERICANS IN NEW JERSEY**

New Jersey had almost 7.7 million residents as of July 1, 1987. According to the 1980 Census, 12.6 per-

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cent, or 966,672, of the state's residents are African American. Almost 26% of all African Americans in New Jersey were poor in 1979 (the most recent year for Census data), compared to only six percent of whites. Although the personal income of New Jersey residents is second only to that of Connecticut, among all states in the country, African Americans in the state have incomes that are only 65 percent of those for whites. Moreover, the avenues to higher earnings for African Americans, education and employment, are not as easily traveled. Unemployment rates for African Americans are almost twice those for whites. In addition, high school dropout rates are higher and standardized test scores lower for African Americans than for the general population in New Jersey.

African Americans are heavily concentrated in urban areas in New Jersey as evidenced by the fact that over 40 percent of all African Americans in the state reside in six cities (Camden, Elizabeth, Jersey City, Newark, Paterson, and Trenton). These same six cities contain less than 15 percent of the state's total population.

The above data clearly indicates that the fate of African Americans in New Jersey is inextricably linked to how the state treats its poor and its urban residents.

#### OVERVIEW OF THE CURRENT SYSTEM

Much of the difficulty with the current fiscal system in New Jersey can be attributed to the heavy reliance on services provided by local government and financed primarily through local taxes. In New Jersey, local taxes mean property taxes. Over 98 percent of all local tax revenues in the state are generated by the property tax. The average local reliance on the property tax among other states is about 70-75 percent. The property tax in New Jersey accounts for almost 45 percent of all state and local taxes, compared to an average of 30 percent among all other states. Recent data, published in State Policy Reports, show New Jersey as the state with the highest per capita property tax burden among all states in the country. This is truly a dubious distinction. This excessive reliance on local government and local property taxes is the major source of difficulties within the New Jersey fiscal system.

In many states, such as California or Massachusetts, property tax levies are determined by applying a predetermined rate to assessed property value. Changes in the tax yield, therefore, reflect changes in only the assessed value of the property. In New Jersey, the property tax is

a residual tax. That is, the required property tax levy is determined after the local (i.e., county, school district, and municipal) budgets have been determined and after all other available revenues (e.g., federal and state aid, fees and charges, accumulated surpluses, and any non-property taxes) have been subtracted. In other words,

Property Tax Levy = (combined) Local  
Budgets Minus Other Revenues.

Nominal property tax rates are determined by taking the ratio of property tax levy to assessed value.

Urban residents in New Jersey are put at a disadvantage by the current system because their expenditure requirements (i.e., their local budgets) are higher than their suburban or rural counterparts and because these urban areas generally do not receive adequate or fair-share amounts of other revenues, especially state aid. Poor residents are put at a disadvantage because existing property tax relief measures, such as homestead rebates and the Homestead Tax Relief Act (the so-called Ford Credit) provide benefits that are too small and poorly targeted relative to actual need.

#### REGRESSIVITY OF THE CURRENT TAX SYSTEM

In aggregate, the New Jersey state and local tax system is very regressive. This means that the system imposes an inordinate and disproportionate burden on the poor, relative to their ability to pay. Again, the local property tax is the principal culprit contributing to this conclusion. For example, a household with income under \$10,000 will devote almost one-third (32 percent) of that income to meet its property tax liability. (Even after adjusting for the homestead rebate received, the household would still devote about 29 percent of its income to paying property taxes.) Overall, 34 percent of this low-income household's resources must be used to meet its total (i.e., property, sales, and income) tax obligation. On the other hand, a household with income between \$50,000 to \$100,000, will have to devote only 3.5 percent of its income to property taxes and slightly more than six percent, on average, to meet its total state and local tax obligations. Households, with incomes over \$100,000 will pay less than 2.7 percent in property taxes and less than six percent in total taxes. Indeed, for those fortunate households with incomes over \$200,000, less than one percent must be allocated for property taxes and less than 4.5 percent to state and local taxes in general. Therefore, in relative terms, the property tax burden for a



low-income (\$10,000) family is 33 times greater than that for a high-income (\$200,000) family. Homestead rebates help to lower the absolute size of the property tax burden but do not significantly change the relative burdens among income categories. This is true primarily because each household receives about the same homestead rebate (roughly \$200) regardless of household income or tax burden. Moreover, the Ford Credit, the other major property tax relief measure in New Jersey, actually provides larger benefits to higher income households. The tax system in New Jersey clearly imposes undue burdens on the poor and, therefore, on African Americans, who make up a large component of New Jersey's poor.

### FISCAL WOES OF URBAN AREAS IN NEW JERSEY

The fiscal system of New Jersey imposes heavy burdens on the state's urban areas. Space limitations will only permit an examination of a few of these specific problems. First, many state services are provided as locally mandated expenditures. This is true in the case of the state's trial court system, the provision of public assistance, and the operation of state mental institutions. In each of these instances, a service is provided where policy decisions (especially counties) are forced to pay the cost for providing the service. The principal problem with this situation is that the costs for these state services are not evenly or fairly distributed among the state's 21 counties or 567 municipalities. Instead, the costs are generally concentrated among urban jurisdictions. The provision of public assistance, such as Aid to Families with Dependent children (AFDC) or General Assistance (GA), is an excellent illustration. Many of the poor individuals who are eligible for AFDC or GA reside in the state's urban areas. These areas therefore must absorb the bulk of the costs of providing AFDC and GA benefits even though these are state services, the costs of which should, at a minimum, be borne proportionately by all state residents. (Ideally, households with a greater ability to pay should pay proportionately more.) In any event, where you live should not determine how much you pay for a state service.

Another example concerns the allocation of state aid to municipalities, a major part of the "other revenues" in the property tax calculation. The state provides over \$1.2 billion in aid to municipal governments. The problem is that most of that aid is not allocated purely on the basis of need. Indeed, proportionately more of the aid is given to property rich municipalities that could afford to finance their activities through the property tax and not have to impose high tax rates. The perverse allocation of

state aid primarily reflects the distribution of the two largest components: the gross receipts and franchise revenues (\$685 million) and the business personal property replacement revenues (\$158 million). Need is not a factor in the allocation of either of these major state aid programs.

Another state aid program fails to compensate municipalities adequately for burdens imposed by state decisions. By State Constitution or statute, certain properties (religious, charitable, education and non-profit, and government) are tax exempt. These tax-exempt properties are heavily concentrated within urban municipalities. For example, over 65 percent of the property in Newark is tax-exempt. Other urban areas have tax-exempt properties significantly in excess of the state-wide average amount of less than 15 percent, including Camden (47%), East Orange (34%), Elizabeth (59%), Jersey City (34%), New Brunswick (44%), Paterson (31%), and Trenton (61%). The state government established a payment-in-lieu-of-taxes (PILOT) program to compensate municipalities for this loss of tax base. The problem is that the PILOT aid program only compensates for state-owned property (state-leased, county, religious, etc., are not included) and the program is not fully funded to reflect all of the state-owned properties.

There are numerous other examples of the ways in which urban areas are victimized by current state fiscal policies. The implications are significant. Recall that

Property Taxes = Local Budgets Minus Other Revenues.

When property taxes increase faster than the increase in assessed property value (as has been the case), then property tax rates also increase. When property tax rates increase, this appears as an increase in a potential cost of doing business in urban areas and, therefore, these areas have greater difficulty in attracting business investment and in creating jobs. The cycle repeats and intensifies!

#### QUESTIONS FOR THE CANDIDATES

The above discussion suggests several issues and questions of great importance to African Americans (and to non-black poor and urban residents) in New Jersey, including:

1) What is the candidate's view of an equitable distribution of tax burdens among taxpayers and what reforms would be pursued to achieve the desired distribution?

2) Do you agree that the quality or cost of a state service should not depend on where one resides within the

state and what steps would be taken to equalize current disparities?

3) Do you favor increased state aid to cities and more targeting of all state aid to local governments so that aid allocation would more nearly reflect true need?

4) Would you favor more property tax relief to individuals and more targeted relief, such as eliminating the Ford Credit in support of a circuit breaker?

5) Would you commit to fund state aid programs fully, even during periods of fiscal austerity, to limit reliance on regressive property taxes?

6) Would you support a change in the PILOT formula to reflect state-leased properties and/or other properties exempted under state statute?

7) Would you support the complete state takeover of public assistance program financing?

## (UN)AFFORDABLE HOUSING

By

ROBERT C. HOLMES, ESQ.

Factors contributing to the high cost of housing in New Jersey have been extensively examined and conscientiously documented by the New Jersey Builders Association ("NJBA"). In general, NJBA cites the primary cause of increased housing costs in this state as pent up housing demand. (1) This unsatisfied demand, according to NJBA, is the result of restraints on housing supply brought about by state policies that affect the supply of developable land, the supply of public funds for infrastructure development and the supply of public funds for meeting the costs of extensive state regulation.

State controlled policies that contribute to reductions in the amount of land available for development include: a) the amount of land which is publicly held; b) regulations which classify certain lands as no longer developable; and c) regulations limiting the density of development intensity on those acres zoned for housing. (2)

State legislative policies regarding the allocation of limited public resources away from support of infrastructure development and toward alternative public purposes, has had the effect of causing the cost of these improvements to be absorbed into the cost of housing. (3)

Part of the reason why there is growing resistance to public funding of infrastructure costs, according to NJBA, is the ever increasing costs of providing these facilities. These increases in cost are due in large part to ever increasing design and performance standards and other forms of government regulation. It is widely accepted among housing analysts that extensive regulation in New Jersey may represent as much as 30% of the overall cost of a housing unit. The debate over whether the public interests to be served by this high level of regulation are more important than housing affordability is a subject for another paper.

In addition to utilizing fundamental principles of supply and demand, NJBA explains the phenomenon of housing

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"unaffordability" through a concept they call the "affordability gap". (4) If, for example, a family of four in Middlesex County enjoys the median annual income for that county--i.e., \$43,100--that family would generally have a mortgage qualifying limit of \$94,820 (assumes a mortgage qualifying limit of 2.2 times gross family income). Assuming a down payment of 10%, the family would be able to afford a home costing \$105,356. In fact, the average sales price for a single family unit in Middlesex County is \$156,712. There is, therefore, an "affordability gap" for our hypothetical Middlesex County family of \$51,356.

As severe as the crisis in housing affordability may be for the vast majority of New Jersey residents, it is significantly harsher for the state's African-American population. When we consider: 1) that over 70% of the state's African-American residents live in the 42 urban and municipalities; 2) that state urban revitalization efforts have addressed urban central business districts but not residential neighborhoods; 3) that job growth in New Jersey has followed the allocation of public resources and occurred, therefore, in the state's suburban areas; 4) that new job markets have departed from a manufacturing base and moved to a service/information base; 5) that urban education is not adequate to prepare African-American youth for the new high tech jobs; 6) that numerous other factors, including racial discrimination, have restricted access by African-Americans to suburban job markets; 7) that this inability to gain access to these job markets has had a direct negative impact on the likelihood of African-Americans gaining access to Mount Laurel housing; and 8) that trends in current state policy, as reflected in the Preliminary State Development Plan and the popularity of regional contribution agreements in the context of Mount Laurel compliance, suggest that African-American residents will continue to live in the most distressed areas of the state, the content and scale of the housing crisis for African-American residents becomes apparent.

Even in the context of the urban environment in which most African-American residents of this state live, there are unique problems affecting housing costs. In addition to the cost-expanding factors identified by the NJBA, urban areas share a host of additional cost-related characteristics: 1) prohibitively high tax rate; 2) high crime rate, or at least the perception of high crime risk; 3) high insurance rates; (4) deteriorating infrastructure that often results in a ban on additional sewer or water hookups; 5) "urban rubble" --i.e., the remains of previous development improperly removed; and 6) environmental contamination.

To these unarguable factors may be added several more-debated factors: 1) the cost of affirmative action

compliance; 2) the strength of unions; and 3) resistance by local officials to being regarded as desperate and, therefore, lacking rules and requirements for new development.

All of these factors, combined with the profoundly limited buying power of the indigenous poor, and difficulties associated with attracting middle and upper income residents into the state's distressed urban areas, contribute to making these areas difficult places in which to produce "affordable" housing.

For African-Americans the housing crisis in New Jersey is not only one of housing affordability, it is, as well, a crisis in housing accessibility. This aspect of the crisis is exacerbated by state policies affecting employment, education, the general allocation of limited public resources and enforcement of equal opportunity and civil rights laws intended to counteract the effects of racial discrimination.

Given the uniqueness and complexity of the housing crisis facing African-Americans in New Jersey, well meaning public programs intended to effectuate revitalization of the state's urban areas will never be sufficient to address this crisis unless such programs take into account the unique circumstances of this segment of the population. The history of benign neglect in this regard is easily summarized: as depressed cities have become the beneficiaries of public programs for urban revitalization, little, if any, provision has been made to protect the indigenous population from being priced out of an increasingly more expensive environment.

In these instances, the "invisible hand" of supply and demand has been allowed to move unrestrained. In the end, the disparity between the price of land and the indigenous population's ability to pay is beyond the reach of even the most ambitious public subsidy. New Jersey's most celebrated example of the unrestrained interaction of supply and demand can be found in the outcome of the advent of casino gaming to Atlantic City.

In order to appropriately address the double-edged housing crisis facing African-Americans in this state, policy makers should be prepared to address a number of fundamental questions:

1) What is your concept of urban revitalization?

2) What, in your view, is the role of state government in linking the physical revitalization of distressed cities with improving the lives of inner city residents?

3) What resources and other means are available to state government to assure that the link between the physical revitalization of distressed cities and the improvement of the lives of inner city residents is created?

4) How can the normal dynamics of supply and demand be restrained enough to allow lower income residents of the state to enjoy life in environments otherwise reserved for the economically fortunate?

5) In terms of the three levels of government - local, state and federal - which, in your view, has the primary responsibility for responding to citizens in need of assistance?

#### FOOTNOTES

(1)

"The Cost of Housing", New Jersey Builders Asso., 1989.

(2)

"Public Policy Decisions Allocating Resources Affect Housing Cost", New Jersey Builders Asso. January, 1989, pg. 4.

(3)

Ibid. pg. 5

(4)

Ibid. pg. 8

## HEALTH CARE FINANCING

by

Douglas H. Morgan

The health and status of African-Americans in New Jersey though improving continues to lag behind that of whites in New Jersey. African-Americans experience higher rates of infant mortality than do whites; African-Americans and Hispanics account for 65% of all AIDS cases in New Jersey; African-Americans continue to experience high mortality and morbidity from major illnesses, such as heart disease, cancer, and cardiovascular disease, as well as from homicides. Significant improvements in the health status of African-Americans cannot be realized until equal access to healthcare is a reality.

A major factor in limiting access to healthcare is whether a person is able to pay for health services when needed. The removal of this financial barrier to care can be an important step in ameliorating the health status of African-Americans in New Jersey.

Although a number of steps have been taken during the last seven years to improve access to health services in New Jersey for the poor and near poor, much more needs to be done. The incoming gubernatorial administration will be faced with many issues, one of which is the provision of health insurance to the state's uninsured populations.

For many African-Americans in New Jersey, publicly financed health insurance programs like Medicare, Medicaid, and the Uncompensated Care Trust Fund enable these persons to receive health care at little or no cost. The programs along with private health insurance provided through the workplace are the primary sources of health insurance coverage for African-Americans. However, large numbers of African-American New Jerseyans still lack any type of health insurance coverage. Many of these individuals are employed or are the dependents of employees whose employers do not provide any type of health insurance benefits. Before reviewing the issues facing a new

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governor, there is a need to review the current programs and their status.

#### MEDICARE

Medicare is the federally administered program which provides health insurance coverage for persons age 65 and older. Medicare pays for both inpatient hospital services and private physician care (referred to as Part A and B respectively). Medicare is financed by Federal subsidies and by monthly premiums paid by enrollees. The program also requires that deductibles and co-payments be paid by enrollees. Recent changes to this program, enacted by Congress (Medicare Catastrophic Coverage Act of 1988), have expanded the services which are covered under Medicare while also increasing premium payments.

The State, through its Medicaid program, pays the Medicare premium for poor, elderly enrollees. However, many private physicians will not accept Medicare fee schedules (Medicare assignments) as full payment for their services. Thus some elderly patients are forced to pay out-of-pocket for some healthcare.

#### MEDICAID

New Jerseyans who meet certain eligibility standards can receive health insurance coverage under the state administered Medicaid program. This federal and state supported program provides health insurance benefits for persons receiving public assistance from either the Aid to Families with Dependent Children (AFDC) program or the Supplemental Security Income (SSI) Program. During the past few years, the Medicaid program has broadened eligibility standards in response to several federally authorized options. These changes have allowed states to expand coverage to groups who are not receiving AFDC or SSI.

For example, in FY 1987, the Medicaid program extended coverage to medically needy persons, including pregnant women, their dependents, the aged, blind and disabled. Income requirements for these groups exceed public assistance limits but are less than the poverty level.

In FY 1988, the program further expanded coverage to those same groups under the authority of provisions contained in the Sixth Omnibus Budget and Reconciliation Act (SOBRA). The SOBRA expansion amendments were significant because for the first time Medicaid eligibility was uncoupled from public assistance requirements. Persons with incomes up to the poverty level were eligible to receive Medicaid coverage even if they could not meet public assistance standards.

The Medicaid program also extended Medicaid benefits up to twelve months for former AFDC recipients who lost benefits because they became employed. In FY 1988, New Jersey's Medicaid program's average monthly enrollment was 488,000 people and had a budget of \$1.1 billion.

#### UNCOMPENSATED CARE

Since 1980 when New Jersey enacted its payor payment system for hospitals, (P.L. 1978 c.83) hospitals are required to receive full reimbursement for uncompensated care which they provide. However, hospitals which care for large numbers of non-paying patients had to increase their charges to paying patients. As hospitals increased charges they found that they could no longer remain competitive with other hospitals who were not treating indigent patients. As a result, in FY 1987, the Uncompensated Care Trust Fund law was enacted in order to remedy this situation. The law requires that funds collected for uncompensated care be more equitably distributed to hospitals in the State. Because of the all payor payment system and the Trust Fund, access to hospital services has increased for the near poor, uninsured and underinsured persons in the state. The law creating the fund was recently extended for two years.

#### PRIVATE HEALTH INSURANCE

Private health insurance provided through the workplace remains the major source of health insurance for New Jerseyans. Some 15% of the employers in the State employ 75% of all workers, while the remaining 85% of the businesses employ 25 or less workers. Many of the small businesses are categorized as service, retail, or merchandising firms, characterized by low wages and few, if any, health insurance benefits.

A recent study commissioned by the New Jersey State Department of Health estimated that 843,000 persons are without health insurance in New Jersey. Forty-two (42%) percent of all those who are uninsured were employed adults 18-64 years of age. Of this group, one out of six was African-American.

The study also found that of the 223,411 uninsured children, 45,216 are African-American, one out of five. Without incentives, special private insurance programs or a state subsidized health insurance plan, these children will continue to be without health insurance. Preventive and well-child care is also less likely to be obtained for children who lack health insurance coverage. Also, adults without health insurance face major financial difficulties should they be stricken by a catastrophic illness.

## ISSUES FACING THE NEW GOVERNOR

Both the cost and accessibility to health care services has been rated as the primary concern of the African American community. The new governor and his administration are facing issues which include the future of the Uncompensated Care Trust Fund, management of the Medicaid program and the growing number of uninsured persons in the state.

Although the state's Medicaid program has had a reputation of being well-managed, its Director will retire in July, 1989. Effective, thoughtful management of the Medicaid program will be required to insure that the program continues to take advantage of opportunities afforded by Congressional action to expand services to needy populations. Expansion of the program has resulted in more poor residents receiving care. The level of physician payment and physician participation in the program is also an issue.

The state's Uncompensated Care Trust Fund law was recently extended for only two years (12/31/90). During the next year, a decision must be made to continue, modify, or end this significant program. A review by a special task force or group with minority participation is warranted. If the program is discontinued, however, an alternative mechanism will have to be put in place to assist those hospitals that care for medically indigent persons.

Finally, the governor will have to consider taking more aggressive actions to make health insurance available to the uninsured in New Jersey. New Jersey's approach has been, up to now, to pursue voluntary initiatives, and to support the development of affordable health insurance plans by the insurance industry. Aggressive actions like those taken by Massachusetts were viewed with partisan subjectivity.

Identifying cost effective methods to provide health insurance to the state's uninsured must be the top priority of the new Administration. Partisan politics should not be allowed to hinder resolution of this major health issue facing the state. Decisions made to expand the affordability and availability of health insurance for the state's African-American population will most certainly reduce the long term financial effect on the state. Moreover, improvements in health status with reductions in mortality and morbidity of chronic illness can be accomplished if financial barriers to care are removed.

## ISSUES IN SOUTH JERSEY

by

Bruce Ransom

Population and employment growth rates in southern New Jersey (Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem, and Ocean counties) have outpaced the rest of the state in recent years. Yet sizeable segments of the African-American community, particularly those residing in distressed cities and towns, have been bypassed by the broader regional economic expansion and by the economic development in selected sections of their communities. Continued economic growth in South Jersey offers an opportunity to focus public policy on social and economic conditions of the region's African-Americans who reside in the shadows of economic prosperity.

This essay assesses the status of African-Americans in southern New Jersey. Special attention is given to the recent regional job creation and economic trends and the condition of African-Americans. Further, African-American perceptions of some of the region's most important problems are disclosed. Finally, questions that this assessment raises for candidates seeking the governor's office will be posed. The analysis begins with an overview of regional growth trends.

### GROWTH IN SOUTH JERSEY

The United States Census Bureau reports that since 1970 New Jersey's population increased by about 4 percent, but in the state's eight southern counties the population jumped 20 percent. Further, the "1987 Economic Report of the Governor" discloses that New Jersey's non-agricultural employment growth rose by 2.4 percent from fiscal year 1986 to 1987. Employment statistics for the state's ten labor markets reveal uneven growth rates, but the higher growth rates are consistently in South Jersey. Indeed, only labor markets in the central/southern tier of counties experienced growth of non-agricultural employment above the state average - for example, Atlantic City (4.9 percent), Monmouth-Ocean (4.3 percent), Trenton (4.2 percent), Vineland (3.4 percent), and Camden (3.3 percent). These data confirm the "1985 Economic Report of the

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Governor's" finding that: "Most, if not all, counties that performed significantly better than the state average are those that were hitherto much less developed." (p. 22). The casino industry in Atlantic City and the emergence of an information and service economy in the suburbs of Camden and Burlington counties are major engines in South Jersey's economic expansion.

#### CONDITIONS AMONG AFRICAN-AMERICANS

Available data from the United States Census Bureau and reported in the New Jersey Public Policy Research Institute's "Seventh Annual Report on Blacks in New Jersey" reveal that African-Americans in southern New Jersey are expanding their numbers, but that they are less successful participants in the region's booming economy. For example, the African-American population in the region grew by 31 percent after 1970. Burlington and Ocean counties are leaders in this growth because many former middle-income residents of Camden and Philadelphia (and new residents to the region) moved to Burlington County and Ocean County, an idea that is also becoming attractive to some North Jerseyans.

These trends suggest population growth and suburbanization among African American South Jerseyans. For example, in 1960 two-fifths of the region's African-Americans lived in the cities of Camden and Atlantic City. More recently, less than one-third of the region's African-Americans reside in those two cities. Rather, there is evidence of some growth in the numbers of middle-income African-American families residing in comfortable suburbs such as Cherry Hill (suburban Camden), Dover Township in Ocean County, and Galloway and Hamilton Townships (suburban Atlantic City).

Notwithstanding these promising developments, most African-Americans continue to be concentrated in cities and towns that are not among the region's most comfortable places to live. For instance, 65 percent of African-Americans in Camden County live in the City of Camden and 55 percent of African-Americans in Atlantic County reside in Atlantic City. Further, African-Americans represent high proportions of the total population in several urban areas and small towns - for example, Camden (53 percent), Atlantic City and Pleasantville (50 percent each), Bridgeton (35 percent), Willingboro (38 percent), Lawnside (99 percent), Penns Grove (52 percent), and Fairfield (50 percent).

The "Seventh Annual Report" of the New Jersey Public Policy Research Institute reveals that African-Americans in South Jersey generally find themselves in lower economic conditions than both their counterparts in North Jersey

and whites in southern New Jersey. Income data in the "Seventh Annual Report" show that the average income for African-Americans in South Jersey is \$17,140, but \$20,319 in North Jersey. In addition, 21 percent of all African-American families in South Jersey are below the poverty level; the comparable figure is 18 percent in North Jersey. However, the percentage of African-American families in southern New Jersey headed by females is lower (36 percent) than in North Jersey (40 percent). Even so, African-American female headed families in southern New Jersey are more likely than their northern counterparts to live in poverty - 43 percent live below the poverty level in South Jersey and 39 percent in North Jersey. Significantly, slightly less than three-fourths of all African-American families below the poverty level in South and North Jersey are headed by females.

The median income for married African-American couples is higher than average family incomes, but the median income for female-headed families is considerably lower than the average income. These data confirm the regional economic gap between African-Americans across regions, plus they disclose a substantial division in the socioeconomic status of African-Americans within regions. The median income for married African-American couples in southern New Jersey is \$20,056, and for their northern counterparts the median is \$22,738. However, for female-headed households, with no husband present, the median income is dramatically lower. The median income for African-American female-headed households in South Jersey was only \$8,032, but \$9,512 among similar families in North Jersey. Although the median income for African-American married couples with children is higher than for their childless counterparts (\$21,011 in South Jersey and \$23,715 in North Jersey), the income level for female-headed households with children, but no husband present, is even lower than among these generally (\$7,017 in South Jersey and \$8,997 in North Jersey).

In part, the differences in African-American incomes across regions is due to the lower general income levels between residents residing in the two regions. Interestingly, the gap in African-American and white incomes is narrower in the southern counties than between these groups in North Jersey. African-American family incomes in South Jersey average 74 percent of white family incomes in southern New Jersey. In comparison, African-American family income in North Jersey average 71 percent of white incomes in that region. On a per capita income basis, African-American per capita income on average in South Jersey is 67 percent of white per capita income; in North Jersey African-American per capita income is 63 percent of white per capita income.

South Jersey is an economic growth area for New Jersey, but these data disclose an unavoidable connection between an increase within the African-American community of female-headed households and a trend toward lower incomes. These households are located in the region's cities and its small towns, many of them similar in economic condition to their distressed urban neighbors. Average income for African-Americans in South Jersey is consistently lower than for African-Americans in northern New Jersey. The combination of lower average income levels in South Jersey and the high incidence of female-headed households translates into a higher proportion of African-American households in South Jersey receiving public assistance than in North Jersey. Clearly, the booming regional economy, anchored by the casino-driven economy in the Atlantic City area and the information and service economy in the suburbs of Philadelphia, lacks strong linkages to communities and neighborhoods with continuing social and economic distress.

Based on the data at hand, there is a trend toward the continuation of regional economic gaps and a growing gap among African Americans. While African-Americans occupy every income level in New Jersey, there is still on average a severe income gap between this community and its white neighbors.

#### PERCEPTIONS IN THE AFRICAN-AMERICAN COMMUNITY

Findings gleaned from survey data collected by Stockton State College's South Jersey Center for Public Affairs for its South Jersey Images study reveals perceptions about important problems facing South Jerseyans. These data disclose differences between African-Americans and the general population about major regional issues.

Generally, South Jerseyans reveal a consensus on the problems facing the region. Serious regional problems include damage (especially hazardous waste disposal, garbage disposal, and water pollution) to the natural environment, needs of the elderly, traffic congestion and other transportation problems, and lack of affordable housing. Maintaining a healthy tourism industry and fighting crime were also mentioned as regional concerns.

For many African-Americans, in comparison, immediate economic concerns rank higher. The data reveal that African-Americans and other minorities view their economic circumstances to be more of a concern than environmental issues. For example, African-Americans tend to rate South Jersey as fair to poor as a place to find a job, and the majority have similar perceptions about transportation, crime and police protection. Nearly four-fifths of the sample single out availability and cost of housing as a

serious problem. Consequently, African-Americans in South Jersey are less likely to view the region less highly than the general population as a good place to live. Also, they are more likely to view their concerns as not very different from those of their North Jersey counterparts.

The expansion of business and job opportunities in the casino and casino-service industries in the Atlantic City region and the development and expansion of technology related industries and service industries in the Cherry Hill/ Mt. Laurel area have weak connections and are inaccessible to many African-American families, especially those residing in Atlantic City, Camden City, and Cumberland County. Although some African-Americans have moved into meaningful positions in the region's expanding economy, most continue to be trapped in economically and socially distressed communities and neighborhoods and reap very few, if any, benefits from the growing regional economy.

Linking regional economic expansion to residents of distressed communities requires innovative leadership, resources from private and public sources, and strong commitments. For example, the amelioration of social ills such as drug use, high school dropout rates, teenage pregnancy, high crime levels in distressed cities and towns, cannot be divorced from efforts to advance and expand economic opportunities. The eradication of social distress and the closing of gaps in economic circumstances between African-Americans and whites must also be anchored in a progression to economic advancement through education, job training, entrepreneurship, and a general expansion of economic opportunities and the ability to live a quality life without regard to race and residential location.

#### QUESTIONS RAISED

This essay raises several questions that are appropriate for responses from New Jersey policy makers:

1. South Jersey's service economy will continue to expand, but wages, even those that are double the current minimum wage, are inadequate when compared to the region's cost of living, a standard largely driven by the cost of housing. How can the State Plan for Development and Redevelopment help to alleviate this situation?

2. South Jersey's economic expansion is dependent on workers along a continuum of skill and wage levels. This is problematic for those in necessary, but low wage jobs, because their salaries are not tied to costs required to support a family. Given the continuing need for low-wage workers, should public initiatives include



the creation of public-private strategies for supplementing the incomes of those in low-wage jobs?

3. For many African-American families residing in economically distressed cities and towns, the elimination of the drug problem, the reduction of teenage pregnancies, and the reversal of high dropout rates and illiteracy are preconditions for community and economic development. What is the proper role for state government in resolving these pressing social conditions?

4. The Mt. Laurel decisions and the Fair Housing Act compel municipalities to meet their fair share responsibilities in the provision of low and moderate income housing. Yet social norms and practices in many suburban towns continue to contribute to the construction of barriers to welcoming housing for all social and racial groups. Should state policy challenge these local predispositions and encourage housing in municipalities for all social and racial groups? What is the leadership role for the governor here?

5. Are there public policies and services currently in effect or that should be proposed that will provide the necessary linkages so that regional economic expansion can have a direct and beneficent impact on residents in the distressed neighborhoods and communities that are largely bypassed by South Jersey's economic growth?

## EDUCATION OF AFRICAN-AMERICAN CHILDREN

by

Henry A. Coleman and Gwendolyn I. Long

The New Jersey State Constitution guarantees a thorough and efficient education to all eligible students. Under the current system of education service delivery and financing in New Jersey, that constitutional mandate is not being met. Fundamentally, the system is not adequately addressing the needs of poor and urban students.

Several factors are contributing to the failure of the New Jersey public school system to fulfil its responsibilities to all students, including:

- 1) the method of financing local schools;
- 2) the disparities in per pupil expenditures among local school districts;
- 3) the quality of school physical facilities, especially in urban areas;
- 4) the approval by state government of local school districts' budgets and curricula is perfunctory and does not reflect a prior substantive evaluation; and,
- 5) the disincentives facing teachers which reduce their long-term commitments to teach urban children.

The confluence of these factors has resulted in poor student performance in many areas. Poor and urban students do not score well on standardized tests. The failure of the school system has resulted in more Hispanic and African-Americans being classified as Emotionally Disturbed and Educationally Mentally Retarded. Even students that somehow manage to "survive" the system often lack the basic skills necessary for employment in a modern technological and competitive workforce. Finally, urban students who emerge from the New Jersey public school systems are often less able and less interested in pursuing higher education.

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## IMPACT OF THE NEW JERSEY SCHOOL SYSTEM UPON AFRICAN AMERICAN

The failures of the New Jersey school system are greatly magnified for African-American students in the state. Approximately 34 percent of the African-American children living in New Jersey in 1980 were living in poverty. Poverty and the resulting poor housing and poor nutrition affects these children in ways which clearly impair their educational performance. Education should not be viewed in a vacuum. It is affected by the level of poverty and it also affects the level of poverty. Historically, education has been shown to be an advantageous prerequisite to elevating one's social and economic status in the African-American community. Alternatively, the lack of education has proven to be a major impediment to escaping the continuing cycle of economic deprivation. The New Jersey school system, and its failure to fulfill its statutory mandate, contribute to this cycle.

Since the State has only fully funded the school aid formula twice since 1976, it gives rise to questions regarding the State's intent to provide funding relief to urban schools. A financing mechanism which relies upon property value has poor urban communities pitting education funding against basic municipal services, like police protection and street repair. Even while requiring a higher tax rate than its surrounding property-rich suburban communities, urban areas, such as Newark, can only afford a lower per pupil expenditure.

As long as urban areas, such as Paterson, East Orange, Camden, Newark, Jersey City and Trenton all report per pupil expenditures below the state mean, the State cannot demonstrate that all New Jersey children have an equal opportunity to receive the same quality of education. When one considers that a disparity of \$1,000 per pupil in a classroom of 25 children is the equivalent of \$25,000 per classroom, it is easy to understand the deprivation within urban schools. That amount is equivalent to another teacher or to four or five personal computers. In Robinson vs. Cahill in 1973, the New Jersey Supreme Court found that the disparities in per pupil expenditures were so stark as to deny children in urban districts a thorough and efficient education. Evidence presented in the Abbott vs. Burke case strongly indicated that this situation has only worsened.

The deleterious effects of the current status of physical facilities within the state's urban school districts are evident in many areas. The amount of classroom space is often not adequate or suitable for instruction. Over-

crowded or temporary facilities can be disruptive. The school facilities currently available sometimes pose health and safety hazards to students. The absence of adequate library, athletic and even cafeteria facilities are symptomatic of these concerns. That learning actually occurs in school districts with these physical plant deficiencies must be credited to a tenacity of purpose on the part of teachers and students alike.

The State government has not performed well in its role of monitoring administrative matters related to finances and curricula development within urban school districts. The absence of any provision of technical assistance or staff development opportunities by the State Department of Education geared to the distinct needs of urban school boards indicates that there has not been any special commitment to the education of urban children. Much attention has been devoted to recent actions toward the takeover of the school administration in some urban districts in an attempt to reduce mismanagement. It must be remembered that the same Department of Education which is gearing up for the proposed takeovers, has been approving the budgets and programs of these school districts each year for the past several years. The efficacy of the proposed takeover must be questioned. If the State's monitoring efforts have allowed the performance of urban schools to decline so dramatically in years past, it is difficult to discern how the State's commitment to urban schools will make "takeover" a more viable intervention strategy.

Teachers working in urban school districts face unique challenges. In addition to limited resources when compared to most other school districts, poorer physical environment in which to work and fewer opportunities for professional development, teachers in most urban schools are confronted with the challenge of meeting the educational needs of students who are less prepared to take full advantage of school. Given the high concentration of children living in poverty in urban areas, it is not surprising to find students who are homeless, hungry, or have not had their medical needs addressed. Due to unemployment in their own homes, or more profoundly in their community, urban students do not have the myriad of role models who have benefitted from the educational system to motivate them. When parents are concerned with the primary needs of food, clothing, shelter and safety, their attention is distracted from such meaningful activities as reinforcing the teachers' efforts to impart basic educational and socialization skills. The reluctance of many teachers to work in urban schools can, therefore, be understood.

The cumulative effect of each of these problems is reflected in the relatively poor performance of the students

in urban school systems, particularly African-American students. Thirteen percent of third graders in East Orange failed standardized reading tests in 1985, as compared to 2.7 percent of third graders in Livingston. While 37.6 percent of Camden sixth graders failed standardized math tests in 1985, only 3.3% of sixth graders in Cherry Hill failed the same tests. African-American children made up 18.6 percent of the state-wide student enrollment. However, 36.59 percent of all children state-wide classified as Educable Mentally Retarded (EMR) are African-American. White children constitute 67.89 percent of the statewide student population but account for only 46.7 percent of the total number of children classified as EMR. Something is wrong! Statewide, so-called minority students made up 41.5 percent of the drop outs in 1989. African-American students constituted less than ten percent of the total full-time undergraduate enrollment in New Jersey during the fall of 1986; their representation in the graduate school sector was even lower.

Any credible gubernatorial candidate in New Jersey must take a serious and substantive position on the issue of education in urban school districts and its implications for African-American children.

#### CRITICAL ISSUES CONFRONTING CANDIDATES

The interrelationships between (the lack of adequate) educational services and other state and local expenditures are often noted. The greater the quality of education services provided now, the less the need for future expenditures on public assistance (so-called welfare) and public safety (i.e., fewer failed students will need to seek antisocial/ criminal means of supporting themselves, requiring concomitantly less need for police and prisons). Moreover, the quality of students that emerge from the New Jersey public school system serves as a proxy for the quality of the workforce that extant and potential employers will find within the state. A higher quality workforce means that firms will have to incur fewer training costs. Therefore, a state's education system represents its investment in its future. In this sense, New Jersey is not well prepared for the times ahead.

What are the specific issues that merit attention and policies? Many of these issues were recently addressed in the NJPPRI Annual Report, Crises in Urban Education. These issues were also at the heart of the recent Abbott vs. Burke court suit that came before Administrative Law Judge Steven Lefelt.

1. How should local public schools in New Jersey be financed? Would a high foundation aid program,

as suggested by Judge Lefelt, be more appropriate than the current system? Since a thorough and efficient education is a state service, as required by the State Constitution, why not have full state funding of the public school system as in North Carolina or Alaska? Would the candidate commit to specific changes in the current system, such as guaranteed full funding of the "T and E" formula and current-year funding for equalization and debt service assistance?

2. Per pupil expenditure in New Jersey ranged from a low of \$2,220 to a high of almost \$13,000. The disparities in per pupil expenditures for direct instruction were even more significant as sizeable portions of school budgets in poor and urban areas must be devoted to non-instructional needs, such as security. These disparities among districts are also evident beyond the operating budgets as districts vary significantly with respect to the availability (and quality) of libraries, science laboratories, vocational education, athletic facilities and specialized or advance courses. What would you propose to reduce or eliminate these disparities?
3. The quality of public school physical facilities has deteriorated significantly, especially within urban school districts. One estimate suggests that 2.85 billion dollars would be required to bring all the school buildings in New Jersey up to current standards. What steps would you recommend to address this problem and upgrade the quality of school facilities in the state?
4. Do you support a more active state role in the oversight of administrative, curricula and budget development areas for local schools? How would you implement this enhanced role while minimizing infringements upon local home rule? How can the accountability of County School Administrators (who are, in fact, state employees) and the Commissioner of the Department of Education be strengthened to ensure that problems within school districts are identified and corrected before reaching crisis proportions?
5. Teachers are an essential component of any school system. Poor and urban school districts have considerably greater difficulty in attracting and retaining high quality teachers. Although teacher salaries in urban areas sometimes are comparable to those found in non-urban areas,

they are generally not high enough to offset the disadvantages of working in urban districts, such as larger class size, older equipment and fewer staff development opportunities. What would you do as Governor to reduce or eliminate the disincentives that limit the willingness of teachers to commit to work within urban school districts? What incentives would you offer to reward those teachers who have made such a commitment?

## WELFARE REFORM IN NEW JERSEY

by

Robert L. Taliaferro, III

The newly enacted federal welfare reform legislation, entitled the Family Support Act of 1988, is based on a new policy consensus of opinion on public assistance. The premise of the new law is that reciprocal obligations must exist between the recipient of Aid to Families with Dependent Children (AFDC) and government. The legislation creates the Job Opportunities and Basic Skills Training (JOBS) Program, which consolidates and enhances the current WIN, WIN Demonstration, CWEP, work supplementation and job search programs. Under JOBS, public assistance is seen as a temporary means of support. Recipients are expected to make good faith efforts to prepare for work or find a job while also seeking child support payments. In turn, government will provide the necessary financial assistance and supportive services to help recipients reduce their dependence on public assistance. Key to these supports is the provision of child care for all participants in JOBS and an extended transition period of eligibility for child care and health care services for those who leave welfare due to increased earnings. For employable recipients, this legislation changes the fundamental purpose of welfare from an income transfer system with a jobs program attached to a jobs program sustained by appropriate income supports and services.

### MANDATORY PROVISIONS UNDER WELFARE REFORM

Among the many mandatory provisions in the legislation, one key change is the extension of program participation requirements to include AFDC adults whose youngest child is age three or older. Previous legislation only required participation if the youngest child was age six or older. Part time participation of less than 20 hours per week, however, must be allowed for a parent personally providing care for a child under age six or the parent who is not the principle wage earner in a two-parent family. For two-parent families, one parent must participate in a JOBS activity at least 16 hours per week. In addition, recipients who are teen parents without a high school diploma must participate in education programs regardless of the age of the youngest child.

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The legislation also targets services. It provides for a reduction in the federal share of funding from 60 to 50 percent unless at least 55 percent of a state's funds are spent on younger families (parent under age 24), families who will soon lose their eligibility for AFDC because the youngest child is within two years of being ineligible because of age, and families who have been receiving assistance for a long time (36 of the prior 60 months). All of these provisions point to getting younger parents involved as soon as possible in the process of finding jobs while assisting long term recipients or those who will soon lose their eligibility to also become employed.

Key to making all of these measures work is the mandatory provision of child care for all participants. Another vital feature of the program is a provision that participants who earn enough to take them off welfare will be provided with twelve months of transitional child care and medical care, subject to applicable income determined fees. The purpose of these transitional services is to determine if they will reduce the disincentive for welfare recipients to find employment. It is suspected that one of the reasons welfare recipients have traditionally not sought employment is that they believe they would lose eligibility for government supported child care and health care soon after securing such employment, and that they are, therefore, better off remaining on welfare.

#### LEARNING FROM THE PAST

While the new legislation has many mandatory features that shape the new employment program, it also has many provisions that the State may adopt at its option. To gain some perspective on these options, it is useful to take a brief look at the policy choices and success associated with previous approaches to designing employment programs for welfare recipients, including New Jersey's REACH program, to determine the best course to set for the future.

#### MANDATORY PARTICIPATION, SEQUENCE MODEL

This approach was tried in San Diego, Louisville, Kentucky and other places and has proven successful. It is designed to obtain universal participation of all eligible participants by providing short-term, low-cost services to all recipients in a predetermined order. All participants followed the sequence of a front-end, structured job search program, followed by work experience, followed by another job search. No "self-initiated training" was permitted. It maximizes participation, relies on the labor market rather than counselors or tests to assess employability, increases employment and earnings, and yields the largest benefit cost ratios. The group best served by this model are those who are middle disadvantaged with

some previous work history and intermittent welfare receipt. This program does not work well for those who are required to participate in work experience when their initial job search indicates that additional training or education is required. One variation on this model would be to "enrich" the work experience with education or training as needed.

#### MANDATORY PARTICIPATION, CLIENT CHOICE MODEL

This approach was adopted in California and New Jersey. Both rely on front-end client/counselor assessment and emphasize choice in the selection of education, training or employment. California uses a test to assess employability despite the fact that no correlation existed between the score a participant got on the test and the ability of that person to find and hold a job. During the first year of operation in California, 60 percent of the participants failed the test and were recommended for remedial education, three times the anticipated amount. In the New Jersey REACH program, the assessment is conducted by the local Private Industry Council or community college and has resulted in a large number of clients being assigned to education or training. In both California and New Jersey, the subsequent job placement rates are below expectations and costs are high.

The purpose of the REACH program is to provide a range of employment and training services designed to remedy the major deficiencies in experience, skills, and education that block welfare recipients from entering the private job market. The program also attempts to remove the multiple barriers that currently make it not in the recipient's best interest to make the transition to full time employment. REACH functions through a public/private partnership that involves the state government and Private Industry Councils formed by the Job Training Partnership Act (JTPA) working together to make a successful program. Key components of the REACH program include a mutual obligation contract between the recipient and the state, case management to secure needed services for individual clients, targeting young mothers with children under age two who are applying for welfare for the first time for vocational assessment and counselling to motivate them to develop a plan for self-sufficiency; while targeting single parents with children over two to participate in education, training, employment related activities, and the extension of Medicaid to one year for employed former recipients.

#### VOLUNTEER PARTICIPANTS AND CLIENT CHOICE MODEL

In Baltimore, this approach relied on eligible recipients to volunteer and then uses client/counselor determinations

of employability, rather than the labor market, and emphasizes education and training. The advantage of this program is that it increases skills, employment and earnings. The disadvantages are that it serves the most motivated who may have found employment without the program rather than the least likely to volunteer and the most in need of assistance. Also, cost generally exceed benefits.

#### THE SUPPORTED WORK MODEL

This approach relies on intensive work experience, employing graduated stress, peer support and close supervision. It is the only program that served a most disadvantaged population, operated in a variety of cities, produced employment and earnings, and yielded benefits that exceeded costs.

This brief examination points out the importance of program design for welfare programs. Policy makers must decide who participates, which activities are required and which are optional, and what approach will work best for the participants and at the lowest cost.

#### OPTIONAL PROVISIONS UNDER WELFARE REFORM

The new governor will have to make decisions on many key issues that will determine the success of New Jersey's welfare reform program. New Jersey, unlike many other states, does have a brief history of welfare reform. Since REACH was developed prior to passage of the federal law, policy makers will want to look at the current REACH program and compare it to what is required and what is optional under the new federal law to determine what, if any, changes should be made in the REACH program design. Based on this review, a state JOBS program will have to be planned. Not all of the optional federal provisions can be discussed here, but some of the critical provisions include the following:

#### **ADMINISTRATION**

The State must have one state agency administer the JOBS program; however, the actual program could be either centrally controlled by the state agency or counties could be given the flexibility to develop and manage these programs, subject to state guidelines and approval.

**Question:** Should the New Jersey JOBS program be planned and administered by the counties subject to state approval, as is the current arrangement with REACH, or would an alternative arrangement work better?

## AGE OF THE YOUNGEST CHILD

The legislation lowers the age of the youngest child of mandatory participants to age three. At this age children can readily attend child care. Also, parents with one child would have been on assistance for only three years, as compared to six years under current programs, and, therefore, would have spent less time away from employment. States have the option to further lower the age of the youngest child to age one. Currently the REACH program targets services to women whose youngest child is age two years or younger.

**Question:** Should the age of the youngest child of participants be age three or should it be lowered to age one?

## PARTICIPATION OF TWO-PARENT FAMILIES

For two-parent families, the State may require both parents to participate if it provides child care, and it may choose participation in an education activity in lieu of work requirements for parents under age 25 who do not have secondary education.

**Question:** Should sufficient child care be provided so that both parents in a two parent family can participate in JOBS?

## PARTICIPATION OF ABSENT PARENTS

Five states will be granted waivers to allow them to provide JOBS services, either voluntarily or by court order, to absent fathers of single parents receiving public assistance.

**Question:** Should the state apply for this waiver to maximize the employability and income of both parents of the children on public assistance?

## CHILD CARE

The state must guarantee child care for all participants in the JOBS program including those working who are former recipients receiving one year of transitional child care, if the state determines that child care is necessary for their employment. The state may reimburse individuals for actual child care expenses up to a maximum that does not exceed local market rates and is set by the state. States may require a sliding scale payments from those receiving transitional child care, which is a new federal program.

**Question:** Are current child care rates sufficient to meet the needs of families participating in JOBS, or should new rates be implemented subject to the new "market rate" pro-

visions under the new legislation? What, if any, fee should be charged for transitional child care services?

#### PROGRAM DESIGN OPTIONS

States must submit a plan for federal approval that can include the option of two or more of the job search, on-the-job training, work supplementation and community work experience programs. All of these components are in REACH except supported work. As part of its training program, a state may approve attendance at a post-secondary educational institute of up to 20 hours. As part of the program design the states have to conduct an initial assessment of the education, child care and supportive service needs of each participant as well as their work experience and employment skills. States may require a client-agency agreement specifying what the client will do and the services to be provided by the agency. States may assign a case manager to participants and establish a separate, fair hearing process for the JOBS program. The assessment, the client-agency agreement and the case manager are currently all components of REACH.

**Questions:** What basic program model, or mix of program models should the state adopt in exercising these options? Should the REACH program model be continued, or should another or modified approach be tried? Should the primary goal of the New Jersey JOBS program be to help recipients obtain jobs, thereby emphasizing initial job search, or should it be to help recipients become better prepared to obtain jobs, thereby emphasizing initial training and education? Should a required organized and structured job search designed to be a realistic labor market test of employability precede a counselor determined assessment of employability, or should the assessment be conducted first, followed by assignment to an appropriate activity, including job search? Should all eligible participants be required to participate or should resources be focused on target groups, and, if so, which target groups? Should a case manager be assigned to every case or just those in most need of this service? What should be the mix of required versus free choice activities for participants in the program? Should community work experience or supported work or some other activity be the activity of last response to those unable to find employment despite repeated job searches, education and training or should not specific activity be designated?

#### TRANSITIONAL MEDICAID

Recipients who are no longer eligible for public assistance due to increased income from employment or child support are eligible for an initial six months of transitional Medicaid coverage. During this period the State

may pay premiums, deductibles, co-insurance or similar costs for health insurance subscribed to by either parent for the children.

If the former recipient of public assistance remains eligible for Medicaid during the first six months, they will be offered a second six months of care. For this period the family may be required to pay a premium, subject to limitations. In addition, the State may offer a choice between plans that include the basic Medicaid program, or employer's health plan or a Health Maintenance Organization.

**Question:** What health care plan would best encourage recipients to leave welfare by increasing their income through employment, provide a stepping stone to self-paid care after the transition period, and be of least cost to the State?

### **CHILD SUPPORT**

The State must approve a child support formula that is binding on the courts. Implementing this provision provides the opportunity to maximize income from child support to augment the income earned by the JOBS participant. Such provisions as setting a minimum order once paternity is established and requiring that the order be adjusted as a percent of income (up to a maximum) rather than making the initial order a fixed amount that has to be reset at a separate hearing if the absent parent's income goes up or down.

**Question:** What child support formula will be equitable while being most effective to maximize income from absent parents?

### **MEETING THE CHALLENGE**

The challenge of welfare reform is for New Jersey to design a program that maximizes employment and earnings benefits for welfare recipients while minimizing costs to taxpayers, thus producing net savings where possible. To meet this challenge, New Jersey must employ three strategies:

1. **Optimize Net Savings and Net Impacts:** Implementation of this strategy will require identification of program approaches that have proven effective for welfare populations such as those in New Jersey. At the same time, programs must be designed that will capture the maximum budgetary savings to gain the most statewide support. One clear tension which this strategy must address is the pressure to secure employ-

ment as soon as possible, and thus reducing training, education and basic income support costs, versus the pressure to continue education and training for as long as possible to increase the employability of the participant. The later approach of educate and train first assumes recipients will be able to secure better jobs and retain them longer in a fluctuating economy; however, this concern is offset by the cost savings evident from the former approach of jobs first.

2.     **Maximize Existing Resources:** Identify and reserve existing resources for education and training that are entirely federally funded, such as JTPA, and those programs that would generate substantial new federal dollars for education and training by using the new 60 percent federal matching opportunity available under JOBS.
3.     **Maximize Federal Share with Child Care Market Rate:** Transitional child care will be an added expense under welfare reform since no federal requirement for this existed in the past. By funding child care cost at market rates, rather than at the lower disregard rate, the state will be able to maximize the most federal funds.

The vision and determination of the new governor to carry out these strategies will in large measure determine the successful implementation of welfare reform in New Jersey.

## EMPLOYMENT AND TRAINING

by

Lorna Johnson

The State of New Jersey is experiencing an economic and employment opportunity explosion. Sandwiched between two international cities, New York and Philadelphia, New Jersey in the last decade has prospered with its own identity. Hailed as the most densely populated state in the Union, employment growth has exceeded the available labor force. With an overall unemployment rate of under 4%, help wanted signs and thick classified sections in local newspapers are common fixtures.

For the one million African-Americans who make New Jersey their home, the explosion has not equitably spread. Concentrated in the urban centers, many African-Americans remain unemployed and underemployed. This mismatch of needs has only recently received the attention of business, government and education. The State's corporate sector has begun to realize that an ill-prepared labor supply can affect the bottom line. Preparations and forecasting to improve the potential pool are in planning. However, attention must be given to the needs of African-Americans. As one of three groups (Hispanics, Women, African-Americans) who will account for most of the labor force growth, serious obstacles will have to be removed. A number of social, geographic and educational barriers separate African-Americans from stable, well-paying jobs in the economy. With the threat of some industries moving to a more readily available labor market, lost revenues, taxes and income could threaten the health and future growth of the State.

### EMPLOYMENT AND TRAINING AS IT EFFECTS THE AFRICAN-AMERICAN COMMUNITY

For every six new jobs created by the region's employers, only five new workers will be entering the labor force. Signs are also apparent that declining unemployment and demographic changes were producing a scarcity of qualified workers in some sectors. Coexisting with these extensive shortages is a sizeable pool of potential workers without either the skills or the opportunity to fill the vacancies.

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This pool of potential workers is heavily concentrated in the African-American community. This is consistent with the fact that unemployment rates have recently declined substantially for all groups except African-Americans. This dilemma of the State's labor shortage and the high unemployment rate for African-Americans will be discussed in this section.

### LOW EDUCATION LEVELS

In the cities of Newark, Camden, Jersey City and Paterson, over 50% of students entering the first grade will not complete high school. The dropout rate of African-Americans is as high as 60% in some urban areas. Leaving school at age 16 with a reading and comprehension level of the fourth grade does little to enhance occupational opportunities. Individuals are left to pursue low-paying jobs, remain unemployed and pursue a life of crime.

Even for those who complete high school, there is no guarantee that he or she can pursue successful employment. The inability to read or to do simple mathematics are characteristics that prevent many African-American high school graduates from gaining purposeful employment.

Since the majority of African-Americans receive their education from the public educational school system, the problem begins there. Plagued with overcrowding, archaic books, inadequate instructional services and the lack of adequate support systems, many urban schools produce graduates who are not able to compete in the job market. In the past, persons lacking in the basic skills of reading, writing and arithmetic would pursue factory employment. The illusion of pursuing manufacturing jobs because of educational deficiencies has disappeared. Factory jobs have been declining in the State for the last 20 years. With many manufacturers moved to other regions of the country or overseas, the competition for the few remaining positions has also increased. Rising education and skill requirements in some industries are also too demanding for blue collar workers who are unskilled or trained in less sophisticated equipment. Computer run machines and robotics have also replaced unskilled African-Americans who find themselves with inadequate educational levels.

### LACK OF REALISTIC AND ADEQUATE JOB TRAINING OPPORTUNITIES

A federal employment program (Comprehensive Employment Training Act - CETA) of the 1970s was ineffective in creating permanent jobs out of subsidized positions that required participants to do very little and in some cases to just show up. In 1984 the government revamped its

employment assistance program to become the Job Training Partnership Act (JTPA). Private industry is heavily involved in the planning, coordination and assessment of this federal initiative. The program has, however, had only a modicum of positive results. Criticized by many as "creaming," JTPA tends to reward the quick, inexpensive "fix" to employment. Persons with multiple barriers to employment and those who need more time, more training, and more assistance are being left out of the client pool. Profit and non-profit entities that use JTPA funds are pressured to achieve performance goals and to serve persons with more skills.

Training opportunities are designed to meet certain quotas. In order to effectively serve the most difficult to employ, more remedial support, longer training periods and trail employment periods are required.

The State's attempt to enhance employment and training opportunities for welfare mothers is evident in the REACH program. Although REACH does not generally provide enough support to bring about self-sufficiency, its provisions for affordable day care, health benefits and transportation assistance are critically important in meeting the needs of the hard to service unemployed.

#### THE MISMATCH OF EMPLOYMENT OPPORTUNITIES AND LABOR

A geographic mismatch between the State's job opportunities and its job seekers is an additional hindrance to the State's potential African-American labor force. A large share of the State's jobs are in the suburbs while most African-American unemployed are concentrated in the cities. The recent revitalization of New Brunswick and Newark may indicate an upturn for urban centers. However, the exodus of many businesses and industries in the early 1980s have now presented problems for both employers and employees.

Examples of suburban employment pockets exist throughout the State. AT&T, the largest private employer in the state is located in Morris County's Basking Ridge, and many law firms and high tech businesses, formerly located in downtown Newark, have moved to Roseland and Livingston, in suburban Essex County. The Route 1 corridor connecting New Brunswick, Princeton and Trenton is lined with new corporate structures. Limited transportation options and a lack of information about suburban job openings place additional constraints on an urban population to find jobs.

Public transportation for the most part is inadequate. For the majority of African-Americans who do not own an automobile, transportation is a major barrier to obtaining

and keeping a suburban job. The State's mass transit system has been slow to respond to the demand for more routes. Such routes, they claim, would not be economically feasible. Private employers who derive a large part of their workforce from the urban areas have developed their own transportation system. UPS in Secaucus, for example, shuttles its employees for three shifts to certain points in the City of Newark. Transportation barriers, compounded with other factors, such as inadequate education of the urban unemployed, the low quality of many of the available suburban jobs and negative attitudes of many suburban employers toward the urban labor force, prevent many African-Americans from obtaining jobs in the growing suburban job markets.

#### CONCLUSION

Employers in the State are experiencing difficulty in obtaining a qualified and solid workforce. Many African-Americans remain unemployed because they are unable to fill the much needed vacancies.

Policy makers in this state must look clearly at the interrelationship among policies affecting employment, housing and transportation in order to make a significant impact on any one of these basic needs of New Jersey residents. Candidates for public office should be called upon to demonstrate a clear understanding of these interrelationships and to put forth recommendations for removing current obstacles to employment opportunities for residents particularly impacted by these interrelationships, i.e., African-Americans who reside primarily in the state's depressed urban areas.

## THE MINORITY BUSINESS ENTERPRISE CHALLENGE

### City of Richmond v. J.A. Croson Co.

On January 23, 1989 the Supreme Court of the United States rendered a decision in City of Richmond v. Croson. The Court's opinion, in a six-to-three majority, struck down the City's minority business enterprise [hereinafter MBE] ordinance as violative of the equal protection clause of the 14th Amendment. The decision also cast doubt on the constitutionality of similar MBE programs in other municipalities across the nation. Moreover, the constitutional standards employed by the Court in striking down the Richmond program cast a shadow of doubt over the constitutional validity of all affirmative action plans that are currently designed to remedy past racial discrimination.

The central constitutional issue raised in the City of Richmond appeal was what are the appropriate constitutional standards the court should apply in a 14th Amendment challenge to a state or local government MBE plan. Prior to the City of Richmond decision the standard of review employed by the Court was the standard enunciated in Fullilove v. Klutznick. Fullilove involved a challenge to the MBE provision in the Public Works Employment Act of 1977 Act of 1975 which provided a \$4 billion appropriation for federal grants to be made by the Secretary of Commerce to state and local governmental entities for use in local public works projects. The Public Works Employment Act contained a provision which required that 10% of the amount of each grant be expended for minority business enterprises.

In reviewing the constitutional validity of the MBE provision in the Public Works Employment Act the Court asked two questions: first, whether the objectives of the MBE provision were within the power of Congress and second, whether the means used by Congress, i.e. employment of racial and ethnic criteria to set aside 10% of grant dollars, were within the power of Congress under section 5 of the 14th Amendment. In its decision the Court concluded that Congress had the power under the Spending Clause of the Constitution and that the means employed were appropriate under section 5 of the 14th Amendment.

The Court's rationale in Fullilove focused on the Court's deference to Congress as a co-equal branch of government and the broad remedial power under Section 5 of the 14th Amendment. Thereafter, the Fullilove standard became the approach used by Courts in deciding legal challenges of federal and state MBE programs.

The Croson Co., who initiated the challenge to Richmond's MBE plan, specifically requested that the Court abandon the Fullilove standard and employ the strict scrutiny standard used in ordinary 14th Amendment cases involving state sanctioned racial classifications. Croson's theory was that there should be no distinction, for purposes of the court's review, between cases where the states adopt racial classifications that purposefully abridge constitutional rights and cases where states adopt racial preferences to remedy past discrimination. Moreover, Croson agreed that States should not be given the same deference as Congress to employ racial preference as a means of remedying past discrimination.

The Supreme Court agreed with Croson and announced in the Richmond decision that the Court would no longer employ the Fullilove test in racial preference cases but would employ the 14th Amendment strict scrutiny standard.

The 14th Amendment strict scrutiny standard requires that in order for a state government to enact a program or policy that contains a racial preference the government must demonstrate: First, there is a compelling justification for the preference; second, that the preference is designed to remedy the specific instances of past discrimination. Having articulated this standard and the rationale for employing this standard, the Court applied it to the City of Richmond MBE program.

In so doing, the Court concluded that Richmond failed to demonstrate that the MBE program fulfilled a compelling state need to remedy past discrimination. The Court specifically rejected Richmond's contention that the MBE program was a remedy for past discrimination against blacks and other minorities in the Richmond construction industry. In reaching its conclusion the Court exhaustively examined the evidence that Richmond posited as the predicate for its MBE program. The Court found that, first, the hearings that the City conducted prior to enactment of the MBE ordinance, studies of discrimination in Richmond completed at the request of the Richmond City Council and testimony from municipal leaders was insufficient to demonstrate conclusively that there was discrimination against blacks and other minorities in the construction industry in Richmond. Second, the City's reliance on findings of the U.S. Congress, used to justify the MBE provision in Fullilove regarding nationwide discrimination in the construction industry, was much too broad to justify a finding of discrimination in Richmond. Thus, the Court concluded that the evidence the City accumulated to justify its MBE program was inadequate to prove a history of prior discrimination in Richmond.

The Court also found that the city's MBE program was not carefully designed to remedy past discrimination in Richmond. The ordinance indicated that the MBE program was available to the following groups -- Blacks, Hispanics, Asians, American Indians, Eskimos and Aleuts. The Court found that inclusion of these groups in the ordinance was proof that the MBE program was not carefully designed to remedy discrimination in Richmond because blacks were the only group that lived in Richmond in sufficient numbers and for a sufficient duration to have been victimized by discrimination in that local construction market. Thus, the Court concluded that the City had cast its net too broadly to specifically remedy violations in that market. The Court concluded that the City had failed to closely tailor the MBE program to redress the true victims of discrimination in Richmond.

The true significance of the City of Richmond decision is the adoption of the strict scrutiny standard of the 14th Amendment for reviewing challenges to MBE programs. By adopting that standard the Court indicates that minority set-aside programs are presumptively invalid. The Court places the burden on local governments to prove that the programs serve a compelling state interest by remedying identifiable past or present discrimination.

The adoption of this test does not mean, however, that minority set-aside programs are per se constitutionally invalid. It does mean, however, that such programs, if challenged, must be based on specific proof of past discrimination and narrowly tailored to remedy that specific discrimination. Furthermore, the adoption of the strict scrutiny standard signals that the Court will meticulously review evidence proffered to demonstrate that an MBE plan serves a compelling interest. If the evidence is not probative of prior discrimination the Court will invalidate the program. Moreover, even if there is adequate proof of past discrimination the Court will scrutinize the program to determine whether it truly remedies the identified discrimination. Overly broad remedies will allow the court to invalidate the program.

Nevertheless, any MBE program that can withstand these evidentiary hurdles will survive constitutional challenge. The burden, however, is upon states that have enacted MBE programs or have authorized local governmental units to create programs to identify and document the discrimination and to design a program that remedies that discrimination.

Therefore, the City of Richmond decision has a direct effect on all MBE programs in New Jersey whether created pursuant to state statute, county resolution or municipal ordinance. Each MBE program regardless of governmental

source is subject to constitutional challenge under the 14th Amendment. Any program that is challenged must be prepared to demonstrate that there is sufficient evidence of past or present discrimination to justify the program. The program must also demonstrate that it was designed to remedy that specific discrimination.

Those programs that do not presently have in place documentation of prior discrimination as the basis for the program should create or assemble that documentation immediately. Any new MBE programs that are pending or recently adopted, for example, regarding new legislation in the public works arena must establish a credible factual basis for seeking to remedy prior discrimination.

There are a considerable number of MBE programs that were created pursuant to specific New Jersey statutes. These programs include the Set-Aside Act for Small Businesses, Female Businesses and Minority Businesses, N.J.S.A. 52:32-17 et seq., the Local Development Financing Fund Act, N.J.S.A. 34:1B-36; Set-Aside Contracts Act, N.J.S.A. 40A:11-41; Public Education Act, N.J.S.A. 18A:18AAA-51; Casino Control Act, N.J.S.A. 5:12-184(7); New Jersey Development Authority for small Businesses, Minorities and women's Enterprises, N.J.S.A. 34:1B-48; New Jersey Sports and Exposition Authority Act, N.J.S.A. 5:10-21.1a.

Each one of these provisions contains defects similar to those ruled unconstitutional in the Richmond case. First, none of these statutes contains records of hearings, studies or other documentation, that demonstrate that the acts are based on findings of past or present discrimination. Without such findings or other evidence probative of past discrimination the statutes could not survive constitutional challenge. Second, there is no statement or other evidence in any statute that suggests that they were designed to remedy specific instances or patterns. It is therefore questionable whether the acts could satisfy the standard that they are closely tailored to remedy discrimination.

Gubernatorial candidates should be asked:

- 1.) Whether they support the concept of Minority Business Enterprise programs where there is legitimate proof of prior discrimination;
- 2.) Whether they would support efforts to document prior discrimination or underinvolvement of minorities in state government. Would they support a government supported statewide survey and report similar to that undertaken in Fullilove v. Klutznick to illustrate past discrimination and practices of exclusion against minorities;

3.) Whether they would support disparity studies to demonstrate underutilization of minorities in the state's procurement practices;

4.) Whether they would endorse the concept of providing opportunities through other creative legislative programs to insure that minority business enterprises receive their fair share of publicly funded procurement dollars.



## ABORTION

As we approach the November off year elections in several states, the issue of abortion has taken on greater significance in light of the recent U.S. Supreme Court decision in Webster v. Reproductive Health Services. While not overturning Roe v. Wade, the court has stepped back in time and has opened the door for States to not only regulate access to abortion services but to enact restrictions on both medical facilities and health care professionals in taking part in the abortion procedure.

While New Jersey is not Missouri, antagonists in the abortion debate have targeted this state because of the upcoming election. New Jersey is considered a strongly pro-choice state. According to published reports..."No bill restricting access to abortions has ever made it to the Governor's desk since the 1970's." New Jersey is also one of only a dozen states that still provides Medicaid funds for "medically necessary" abortions for poor women.

The position of the Governor will be crucial in the coming months because it is felt that a strong pro-life constituency exists among the members of the state legislature. Although all members of the General Assembly are up for election it is unclear whether or not this faction will lose power. Even now, because of the Webster decision, we have read pronouncements from Assembly Speaker Chuck Hardwick that he will call a special session to consider a constitutional amendment banning abortions in the state.

For blacks in New Jersey abortion continues to be an individual concern. What is important for us as a group to recognize is that the Supreme Court has retrenched in its view of the role of State government with respect to regulating abortion services. The Court has said that States now have the right to intervene into what has long been an individual right for all women regardless of ethnicity or economic status; the right of a woman to decide what she will do with her body. This right, which was only recently gained, is now in jeopardy.

## BACKGROUND

Since the 1973 Roe v. Wade decision, women in the United States have had the right to decide whether or not to terminate a pregnancy. The central issue presented by Roe was whether the State could regulate a woman's decision to terminate a pregnancy. In a lengthy analysis of constitutional considerations based upon a "right of privacy" and personal autonomy dictates, the Court found that the decision to terminate a pregnancy to be a highly personal medical decision which should be made by the woman only after competent medical advice. Specifically, the Court determined that the "right of privacy, whether it be founded in

the Fourteenth Amendment's concept of personal liberty and restrictions upon state action...or...in the Ninth Amendment's reservation of rights to the people, [was] broad enough to encompass a woman's decision whether or not to terminate her pregnancy." Additionally, the Court made clear that the right was "not unqualified and must be considered against important state interests in the regulation" of maternal health and potential life.

Where the state can demonstrate a "compelling" state interest, regulation of abortion can occur. An interest becomes compelling, in a constitutional context, when the state restricts or interferes with the fundamental right of citizens which is protected by the First Amendment or the Equal Protection Clause of the Fourteenth Amendment in order to protect a higher interest, such as preservation of life or liberty.

In the termination of pregnancy context, the issue of when the State's interest becomes "compelling" has been and continues to be a large part of the ongoing controversy. Further adding to the controversy is the Court's determination that the State's interest in the preservation of potential life is triggered at the point of viability. At what point in a pregnancy is the fetus viable, that is, able to sustain itself outside of the womb?

The Right-to-Lifers position on abortion is based on the belief that life begins at conception, thus abortion of even a 16 week-old fetus is considered murder. However, there is no medical evidence currently available that indicates that a fetus has ever survived outside the womb at 16 weeks or even 20 weeks. Moreover, the Right-to-Lifers have attacked the issue of abortion as morally repugnant. This group has imposed its own set of moral values on both the procedure and health care professionals who take part in the procedure. No other medical procedure has received such animosity, even those as extraordinary as live organ transplantation or the use of artificial hearts.

#### **THE WEBSTER DECISION**

The Webster case assumes enormous importance because the Supreme Court let stand Missouri regulations that not only impede access to abortion services for women, but also prohibit publicly funded facilities and health care professionals from taking part in the performance of the procedure. Specifically the Court upheld the following:

##### **1. Public Hospital Ban**

Public hospitals or other taxpayer-supported facilities may not be used for performing abortions not necessary to save life, even if no public funds are expended.

## 2. Public Employees Ban

Public employees, including doctors, nurses and other health care providers, may not perform or assist an abortion not necessary to save a woman's life.

## 3. Viability Testing

Medical tests must be performed on any fetus thought to be at least 20 weeks old to determine its viability.

While many states have imposed regulations on the use of Medicaid funds to pay for abortions, most have not tried to limit access to facilities or to limit the practice of health professionals. In the majority decision, Justice Rehnquist stated... "Nothing in the Constitution requires states to enter or remain in the business of performing abortions. Nor...do private physicians have some kind of constitutional access to public facilities for the performance of abortions." The Chief Justice seems to distance himself from previous findings by the court that individuals have equal rights to certain services or public goods that are guaranteed by the Constitution. Until now equal access to health care services has been considered such a right. Both the Federal Court and Congress have made it possible for minorities and those in our society who are disadvantaged or poor to seek out and receive health care even if they lack funds to pay for services. The impact of the Missouri case is to preclude these same groups from accessing public facilities and public employees for this single service. Poor women who rely on these facilities must now seek this service from private facilities and non-publicly supported health care professionals. The cost of private health care can and will be prohibitive for many of these women.

The Webster decision however, does nothing to prevent those who have funds or health insurance coverage from obtaining the same services. This does not seem to be consistent with the concept of equal rights as previously supported by the court. Indeed, Justice Blackman speaking for the dissenting Justices said... "I fear for the future. I fear for the liberty and equality of the millions of women who have lived and come of age in the 16 years since Roe was decided. I fear for the integrity of and the esteem for this Court." Blackman commented further that... "For today at least there remained a constitutional right to abortion. But the signs are evident and very ominous, and a chill wind blows..."

The Missouri case goes further because it also sanctions state intrusion into medical practice which will have a dampening effect on many health care providers. The Missouri regulations mandate the testing of any fetus believed to be 20 weeks old or more. Medical experts agree that it is virtually impossible for a fetus to survive outside of the womb before 23 to 24 weeks of gestation. Infants born before this period simply are not

developed enough to survive. Vital systems like the respiratory and urinary systems are not developed enough even with artificial assistance to allow the fetus to thrive. Medical science has dramatically improved the survival rate of very small infants since the Roe decision. Infants weighing as little as 1.6 to 2.2 pounds (750-1000 grams) have survived outside of the womb at 23 to 24 weeks of gestation, with the assistance of very sophisticated neonatology intensive care centers and highly trained medical personnel. Nonetheless, most experts agree that science has reached its limit and that not even high technology can save those babies born prior to 23 weeks gestation.

#### NEW JERSEY'S GUBERNATORIAL CONTEST

Of the two candidates for Governor, Representative James Florio is a pro-choice advocate. Although admitting that the procedure is a tragedy, he has said that "...abortion is also a very personal matter, and a law that would make a woman a criminal for having an abortion is unacceptable." On the other hand, Representative James A. Courter is opposed to abortion, except in the case of rape, incest or where the life of the mother is in danger.

Blacks in this nation have only in the last half of this century realized the right of self determination and equal access to employment opportunities, housing and education. Many of these rights have come only after long battles and with the help of the U.S. Supreme Court. The same Court which is now retreating from previous decisions. It is clear that our gains are in as much jeopardy as those of women. The attack against a woman's right to have an abortion is led by a growing ideological sector of the population that seems determined to impose its moral will on everyone in society. This group also contains many conservative Republicans who have consistently fought affirmative action initiatives. If we allow these ideologues to prevail in their efforts, Blacks in New Jersey may well see their gains assaulted.

There are very clear and recognizable parallels in this debate that we as a group ought to consider. Minority, disadvantaged and poor women should not be restricted from having access to a service because a group feels morally opposed to that service. Government supported services should be accessible to all, particularly if the service is deemed medically necessary. Denial of access is inherently discriminatory, and is counter to the position which the court has only recently taken.

We should carefully weigh these issues and consider whether any candidate who seeks our support shares our values and beliefs in supporting the fundamental right to equality.

**QUESTIONS FOR THE GUBERNATORIAL CANDIDATE:**

Where do you stand on the issue of a constitutional amendment that will allow the state to enact laws restricting access to abortion services?

As Governor will you support such an amendment?

Do you support continued Medicaid funding of "medically necessary" abortions as upheld in the 1982 State Supreme Court decision?

Will you as Governor seek to use the power or influence of your office to invoke restrictions on access to abortion services for women in the State of New Jersey?

## QUESTIONS AND RESPONSES FROM THE CANDIDATES

The following are selected questions from the preceding articles and the corresponding responses from the candidates. The candidates responded to these questions just prior to the primary election in June, 1989. Their responses are offered here to assist the reader in formulating an understanding of the respective candidates' positions on issues of concern to the African American community.

### MINORITY BUSINESS AFFIRMATIVE ACTION

#### QUESTIONS

1. New Jersey has legislatively established many minority and small business assistance programs, providing financial assistance, set aside and technical assistance, yet African American businesses have not reached a proportionate market share, hence one could deduce that these programs have not been successful. How can New Jersey's programs for African American and small businesses be made more effective?
2. What should be state government's role in the effective implementation and enforcement of Affirmative Action and set aside programs, particularly in view of the City of Richmond v. J. A. Croson Co. recent Supreme Court decision?

#### RESPONSES

##### COURTER

The key to achieving full equality for all New Jersey citizens is providing full economic opportunities for all. I am committed to maintaining the programs established over the years by the state, including minority and small business assistance, financial assistance, set asides and technical assistance.

A Courter administration in Trenton would be fully committed to enforcing programs designed to end discrimination. I am proud to have introduced legislation to write the Runyon rule into law. The rule, which allows people who are racially discriminated against in making contracts to sue for damages, may soon be reversed by the Supreme Court.

##### PERKINS

According to the Richmond decision, local governments no longer can operate set aside programs unless they can document discrimination against a specific group or groups. This places a serious burden on local governments. I think state government, perhaps through the

office for minority business in the Department of Commerce and Economic Development, can assist local governments in amassing this evidence and creating the needed record.

Most minority owned businesses are small businesses. They need the same kind of training, technical assistance and networking support all small businesses need. I think we can do a better job of reaching out to small business owners and providing these support services that can make the difference in their survival and success.

## **SCHOOL FINANCE**

### QUESTION

3. Per pupil expenditure in New Jersey ranged from a low of \$2200 to a high of almost \$13,000. The disparities in per pupil expenditures for direct instruction were even more significant as sizeable portions of school budgets in poor and urban areas must be devoted to non-instructional needs, such as facility maintenance. These disparities among districts are also evident beyond the operating budgets as districts vary significantly with respect to the availability (and quality) of libraries, science laboratories, vocational education, athletic facilities and specialized or advanced courses. What would you propose to reduce or eliminate these disparities?

### RESPONSES

#### **COURTER**

I support the goal of full funding of schools under the state formula as well as special efforts to improve urban education. I believe the number one issue is not the number of dollars but the degree of quality. I support choice as means of expanding students' educational opportunities and improving schools generally through competition. The Kean administration's experiment with limited choice will be reviewed by my administration and expanded, if warranted.

#### **FLORIO**

The issue of financial disparities among school districts is central to the plaintiff's case in Abbot v. Burke. While I am not going to comment on the substance of a pending court case, I can say that municipal and district officials should receive the state aid to which they are currently entitled.

## **HOUSING**

### QUESTIONS

4. How can the normal dynamics of supply and demand of the housing market be restrained enough to allow lower income residents of the state to enjoy life in communities otherwise reserved for the economically fortunate?
5. The Mt. Laurel decisions and the Fair Housing Act compel municipalities to meet their fair share responsibilities in the provision of low and moderate income housing. Yet social norms and practices in many suburban towns continue to contribute to the construction of barriers to welcoming housing for all social and racial groups. Should state policy challenge these local predispositions and encourage housing in municipalities for all social and racial groups? What is the leadership role for the governor here?

### RESPONSES

#### **COURTIER**

I propose creating Urban Housing Zones where the lessons of enterprise zones are applied to the problem of housing. These zones would utilize an array of tax and regulatory relief measures in targeted urban areas to cut the cost and expand the stock of urban housing.

I will also institute a policy permitting tenants in public housing to manage their own buildings and will provide tenant training programs. I will enhance public-private partnerships to construct traditional housing for the homeless, to reduce and eliminate our reliance on welfare motels. I will work to cut the red tape in our housing market and eliminate the unnecessary costs, estimated at 25% to 35%, already tacked on to the high price of construction.

#### **PLUNKETT**

Providing affordable housing is a complex issue that can be approached by state action on several fronts.

I would support the creation of a central agency to review state rules and regulations for clarity and necessity. This should bring down the costs of housing construction.

The no down-payment program for certain home-buyers recently announced by the New Jersey Housing and Mortgage Finance Agency sounds promising. I think we should also examine programs that appear to be successful in other states: the down-payment loan fund for first time home-buyers started in Connecticut and New Hampshire; Maryland's mortgage insurance plan which reduces down-payment requirements and interest rates; and California's shared-equity mortgage program which also reduces down-payment requirements.



In addition to new housing construction, I believe we should encourage and provide incentives for rehabilitation of existing housing stock in established communities. I am hopeful that the federal Department of Housing and Urban Development will focus on this strategy.

We have too few rental units available and, as a result, too high rents. We can encourage production of rental properties through expansion of the Housing Trust Fund and the Housing Assistance Corporation, and, through strategic targeting of rental assistance and homelessness prevention funds.

I think the leadership and commitment of the Governor can make the difference so that all our communities are open to all our citizens. Maybe it is time for state government to work more cooperatively with municipalities to show them how they can revise their local zoning laws to reach this goal.

## **SOCIAL CONDITIONS**

### QUESTION

6. For many African American families residing in economically distressed cities and towns, the elimination of the drug problem, the reduction of teenage pregnancies, and the reversal of high dropout rates and illiteracy are preconditions for community and economic development. What is the proper role for state government in resolving these pressing social conditions?

### RESPONSES

#### **COURTIER**

Living in a dangerous environment of drug abuse, violent crime, and broken homes, our urban children need the tools necessary to grow into strong and healthy adults, such as self esteem, independence, concepts of right and wrong, pride, self respect and respect for others, and optimism about their future.

I have proposed a limited inner city experimental school program to assist urban students, funded by modest private contributions by large businesses. Similar schools emphasizing civic education have been succeeding for a decade, such as Marva Collins' Westside Preparatory School in Chicago, where seventh and eighth graders, once called "unteachable" have qualified for enrollment in college summer courses in classical languages, literature, and philosophy. Minority students educated in this way can become tomorrow's great community leaders.

## **FLORIO**

The state has a definite role in addressing these problems and their underlying conditions. State and local government already have assumed important responsibilities in these areas. For example, the state and local police have been essential in enforcing drug laws and in working with drug prevention programs. Governor Kean's Task Force on Adolescent Pregnancy has developed a series of strong recommendations which now must be implemented.

I believe that early intervention is the most effective strategy government can take in preventing troubled adolescents and adults. The strategy is simple: An ounce of prevention is worth a pound of cure. By focusing our resources on the early years of childhood from prenatal care to preparation for kindergarten -- we can make an enormous difference in the future well-being of our state.

Through programs that provide our youngest children the health and educational services they need to succeed, we help to build our economy, to reduce future government costs, and, to enhance individual potential and productivity.

Intervention efforts -- such as Head Start, WIC and other health care programs for young children -- are the most economical and most effective way to address these concerns. They are a sensible use of our resources and people understand this. Early childhood programs are among my top priorities for New Jersey.

## **HEALTH**

### QUESTIONS

7. The governor will have to consider taking more aggressive actions to make health insurance available to the uninsured in New Jersey; what approach would you adopt to expand the availability and affordability of health insurance?
8. What measures would you implement to reduce the high levels of mortality and morbidity in the African American community?

### RESPONSES

#### FLORIO

I have put forth a comprehensive program (see attached white paper) to deal with the spiral of violence and drug abuse, which is taking a terrible toll on our state's young men and women.

## FLORIO

Nationally, over 37 million Americans are without the means to pay for their health care needs. These are the people that are not old enough for Medicare, not poor enough for Medicaid, and without enough income to pay health insurance premiums. The emergency and episodic care these citizens require costs all of us more money in the long run. More importantly, the lack of affordable health care coverage has a direct and emphatic impact on their quality of life.

I have reviewed the Massachusetts plan and believe it has many features that we can adopt in New Jersey.

In addition, there is a Legislative task force currently addressing the issue of long-term funding for uncompensated care at New Jersey hospitals. The task force is also looking at expanding the program to cover outpatient and primary care needs of the uninsured.

Should I be elected the next Governor of New Jersey, one of my highest priorities will be the health care needs of the citizens of our state, particularly the needs of the African American and Hispanic communities which bear the most severe impact of service gaps and lack of affordable access to health care services.

Early intervention is the most effective way to reduce mortality and morbidity rates.

We need to make sure that babies start life with the benefits of good prenatal care. Prenatal care reduces infant mortality and reduces the number of premature and low birthweight babies. Many low birthweight babies have immediate health problems that require expansive, round-the-clock care, and others have developmental problems that require extended care through their lives.

We need to provide basic health services for our youngest children: nutritional supplements, immunization, routine "well child" care and timely treatment of illness. Following newborns through early childhood with early and periodic health screenings and timely health care prevents the development of more serious health problems and reduces inefficient use of hospital emergency rooms.

The New Jersey Department of Health must be structured to better serve the health needs of New Jersey citizens in the 1990's and beyond. I believe there is a better way to target our resources and deliver our services to meet specific needs of population groups. In the case of New Jersey's African American community, we must focus on the health risks of high blood pressure, cancer and nutritional deficiencies.

We must make sure that all citizens are better-informed health care consumers and that they have health care resources available to them in their local communities.

## TRACK RECORD

### QUESTION

9. Reviewing your public career, what actions, programs, or other "initiatives" would you highlight as reflective of your ability to effectively address the needs of the African American community?

### RESPONSES

#### ~~COMPTON~~

I am proud that my public career has been committed to the idea of including ever larger numbers of Americans of every race and ethnic group in growing opportunities to participate in new jobs and businesses, to increase dignity and take pride in their contribution to the life of the whole community. I spent two years in the Peace Corps and helped to open the first legal Services Corporation office in Warren County. My voting record in Congress -- in support of the Grove City bill, the Fair Housing Act, and other progressive legislation -- demonstrates my strong commitment to civil rights. In making appointments to my administration, I would seek men and women of merit who fully reflect our state's rich cultural and ethnic diversity.

#### FLORIO

My focus in public life has been, and will be as Governor, the twin issues vital to all the people of New Jersey -- education and the environment. These are two areas where committed leadership will make the difference in the quality of life -- the protection of the health and the future of our children.

## REPUBLICAN CANDIDATE FOR GOVERNOR OF NEW JERSEY

### JAMES A. COURTER

Congressman Courter was born in Montclair, New Jersey on October 14, 1941. He attended Montclair Academy and Colgate University where he received his degree in English in 1963. He received his law degree in 1966 from Duke University Law School and served in the Peace Corps in Venezuela from 1967 to 1969. Mr. Courter was Assistant Corporation Council for one year and served in the Union County legal services staff for one year. Then in 1971 he founded the law firm of Courter, Korbort, Laufer and Pease in Hackettstown. He was the first assistant prosecutor of Warren County from 1973 to 1977, founded the Warren County Legal Services, served as Allamuchy Township Attorney and as a member of the Civic Advisory Council of Hackettstown Community Hospital.

Mr. Courter is married and has two children.

Mr. Courter was elected to the United States House of Representatives in 1978 when he was also chosen president of the "class" of Republicans elected that year. He served as House Chairman of the Military Reform Caucus for the 98th Congress and serves as a regional whip for the House Republican leadership. He is also a member of the Armed Services Committee and the select committee on Aging. In 1988 he was among six Republicans appointed by House leaders to a 15 member special committee to investigate the Iran arms affair. Since 1978 Mr. Courter was re-elected to Congress in 1980, 1982, 1984 and 1986 representing the 12th District.

Mr. Courter was chairman of Governor Kean's primary and general election campaigns in 1981 and was New Jersey chairman of the 1984 Reagan-Bush campaign.

A Star Ledger/Eagleton Poll indicates that Courter's strongest areas are in managing the economy and keeping the state prosperous, balancing the state budget, holding down taxes and resolving the auto insurance problem. Although the poll cites these as his strongest areas, the opinion was that Courter was not stronger in these areas than his Democratic opponent.

Mr. Courter has taken a "strong" position on crime. He supports the death penalty for criminals who "show a reckless disregard for human life or is the driving force behind an actual murder". He also supports judges having the option to deny bail to dangerous repeat offenders; allowing proceeds from a crime to be recovered by the state; changing the "presumption of non-incarceration" to a "presumption of incarceration" for first-time drug (small amounts) offenders. He supports the amendment of the Omnibus Drug Bill of 1986 which amended the exclusionary rule allowing the use of evidence illegally seized without warrants to

be considered legal in certain instances -- if the search and seizure was reasonable and done with good faith belief that it conformed with the Fourth Amendment of the constitution. He supports a ban on assault weapons if it excludes "guns with traditional sporting purposes" and believes there is a sporting use for semi-automatic weapons as distinct from assault weapons.

Mr. Courter supports the Supreme Court's decision restricting women's access to abortions, believing that citizens have the right to decide whether taxpayer-supported abortions should take place. He believes in restricting abortions to instances of a life-threatening pregnancy or where the pregnancy resulted from incest or rape.

Mr. Courter co-sponsored the Clean Air Restoration Act of 1989 and supports a ten year moratorium on oil or gas exploration off the coast of New Jersey. This would allow time to enact stronger safeguards.

He supports deregulation of the automobile insurance industry believing that market forces will drive prices down.

#### VOTING RECORD AS RANKED BY PROMINENT NATIONAL ORGANIZATIONS

<u>Organization</u>	<u>Rating</u>
American Civil Liberties Union (1986-1988)	23%
Americans for Democratic Action (1985-1988)	22
Children's Defense Fund (1988)	38
Leadership Conference on Civil Rights (1987-1988)	53
NAACP (1987-1988)	52
National Council of Senior Citizens	31
National Education Association (1987-1988)	50
National Women's Political Caucus	26

## DEMOCRATIC CANDIDATE FOR GOVERNOR OF NEW JERSEY

### JIM FLORIO

Congressman Florio was born in Brooklyn, New York on August 29, 1937. He left Erasmus High School in his junior year to join the Navy, serving from 1955 to 1958. During his service he received his GED High School Equivalency Diploma and subsequently served in the Naval Reserves until July 1975 when he retired as a Lieutenant Commander. He attended Trenton State College graduating Magna Cum Laude with a Bachelor's Degree in Social Studies. During college he was a student-teacher in the Ewing Township school system. Mr. Florio studied public law and government at Columbia University before deciding to go to law school at Rutgers School of Law in Camden. He graduated from Rutgers in 1967 and was admitted to the New Jersey Bar that year.

He is married and has three children from a previous marriage.

In 1969 Jim Florio was elected to the New Jersey State Assembly and subsequently re-elected for two additional terms. He was first elected to the United States House of Representatives for the First District in 1974. Mr. Florio lives in Blackwood, New Jersey a Camden County municipality in the District in which he serves. He lost his first bid for governor of New Jersey to Tom Kean in 1981 by only 1,797 votes.

Mr. Florio has been active in educational programs including co-sponsoring the Act for Better Child Care Services, and joining with Senator Edward Kennedy in introducing the Literacy Corps - a program in which college students teach illiterate adults how to read.

A Star Ledger/Eagleton Poll indicates that Mr. Florio is rated highly by potential voters in the areas of providing social services such as day care and aid to the needy as well as in protecting the environment, handling public school education and providing strong leadership for the state.

Mr. Florio has supported a proposal to address high auto insurance costs that would impose greater regulation of the insurance industry, abolish the Joint Underwriting Association which provides coverage for those unable to obtain insurance in the voluntary market and do away with the \$222 per car surcharges paid by motorists to maintain the JUA. In his opinion the state insurance department has been ineffective in managing the system. Further Florio believes that the debt created by the JUA should be paid for by insurance companies that do business in New Jersey.

Mr. Florio takes a "strong" position on fighting drugs which includes a "drug czar"; military-type boot camps for users and first offenders; a statewide ban on military assault weapons; swifter action by the justice system to shorten the time between arrest and sentencing; a joint task force between governors of Delaware, New York, Pennsylvania and New Jersey to develop joint strategies and to exchange resources and intelligence; endorsement of the death penalty for the killing of law enforcement officers; pushing for more aggressive confiscation of property belonging to drug criminals; supporting and encouraging health insurance policies that cover drug treatment; and greater education efforts as early as the pre-school level.

On the issue of the mounting garbage problem in New Jersey Mr. Florio supports recycling 50% of the state's trash and the creation of an emergency garbage task force to study the best ways of handling solid waste. He supports a moratorium on permits for new garbage incinerators until the task force is able to develop a solid waste plan. He also supports greater use of recyclable materials, regional planning, strict enforcement of pollution laws and greater education.

Mr. Florio supports abortion rights and opposes restrictions which affect this right based on income. He also would support legislation that outlaws flag-burning without violating constitutional protections of free expression.

#### VOTING RECORD AS RANKED BY PROMINENT NATIONAL ORGANIZATIONS

<u>Organization</u>	<u>Rating</u>
American Civil Liberties Union (1986-1988)	75%
Americans for Democratic Action (1985-1988)	82
Children's Defense Fund (1988)	88
Leadership Conference on Civil Rights (1987-1988)	93
NAACP (1987-1988)	85
National Council of Senior Citizens	93
National Education Association (1987-1988)	84
National Women's Political Caucus	90